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NEWS SUMMARY

GENERAL

Nations condemn Czech jailings

International protests built up against the jailing by a Prague court of five civil rights activists accused of subversion.

French Foreign Minister Jean Francois-Poncet postponed an official visit to Czechoslovakia and a French Government statement condemned the sentences as an infringement of the 1975 Helsinki agreement.

Many European Communist parties attacked the sentences, as did the International Commission of Jurists in Geneva. In London, the Foreign Office deplored the Prague court's action and an all party Commons motion condemned the Czech Government's "indifference" to its obligations on human rights. Democracy demands not stifled, Page 2

Lamb ban eased

France relaxed its ban on imports of lamb from Britain in an attempt to avoid a confrontation. The French Agriculture Ministry said French traders would be allowed, under strict control, to buy lamb in Britain. Back Page

Asbestos curbs

A Government report called for stricter controls on the use of asbestos, including legally enforceable exposure limits for workers. It immediately came under attack for not going far enough. Back Page. Details, Page 8

Contempt fines

Publishers of the Glasgow Herald were fined £20,000 for contempt of court over an article concerning the arrest of four people. Three judges at Edinburgh High Court also fined editor Alan Jenkins £750.

Shah's operation

The deposed Shah of Iran had his gall bladder removed during exploratory surgery for cancer, his spokesman said in New York. He declined to say if tests which had been carried out showed any malignancy.

IRA denial

The Provisional IRA denied reports from the U.S. that it had sent a man to kill Princess Margaret during her visit to America. She was a "legitimate target," said the Provisionals, but such an action would not be carried out on U.S. soil for political reasons.

Top earners

Three-quarters of Britain's highest income earners are self-employed, said the final report of the Royal Commission on the Distribution of Income and Wealth. Professional people such as lawyers, doctors and accountants accounted for about a third of that total. Page 9

Demirel's task

Turkey's main opposition leader, Mr. Suleyman Demirel, was asked by President Fahri Korkut to form a new Government. He is not assured of success and political uncertainty which began with the resignation of Prime Minister Bulent Ecevit remains. Page 2

Briefly ...

our naval petty officers were killed when their car was in collision with a bus in Rosyth. Chelbow Anthony Adamson, 18, lost two fingers in a metal-work class accident, was awarded £22,000 agreed damages in London's High Court.

An patrolman died and a colleague was seriously injured when the car they were repairing was struck by a lorry on the roundabout of the M4 near iston.

Chief price changes yesterday

Rises in pence unless otherwise indicated)

Rises		
oith Carburetor A	1.12	-1.1
niral Pacific Min	1.04	+1
ritches	1.01	-1
ICL	3.37	-10
nanon	6.68	+45
bridge	1.33	+9
ident Brand	1.13	+1
FALLS		
nsury 1984	2.64	-1.1
nsury 1985 1985	2.12	-2.4
nciated Dairies	2.45	-15
S. & Q. (Retail)	90	-9
S.	1.85	-7
chan	1.33	-9
bers	1.10	-10
days Book	4.08	-15
ich Electronics	2.28	-7
BP	3.70	-30
ons	3.39	-10
Charter Cons	1.68	-8
ons Gold Fields	2.50	-20
ris Queensway	1.29	-12
RTZ	2.82	-8

BUSINESS

Equities off 12.5; Sterling steadier

BY RICHARD EVANS, LOBBY EDITOR

• EQUITIES fell sharply, and the FT 30-share index closed 12.5 down at 449.5.



• GILTS recorded big losses, and the Government Securities index was 1.19 down at 69.02.

• STERLING steadied late to close 20 points down at \$2.110, and its trade-weighted index was 67.7 (67.9). The dollar's index fell to 86.4 (86.7).

• GOLD rose \$8 in London to close at \$384.

• WALL STREET was up 5.71 at \$12.54 near the close.

• SCOTLAND'S third large micro-electronics plant will be set up during the next 18 months if negotiations between the Scottish Development Agency and a U.S. multinational company are successful. Page 8

• ELECTRICITY Council is to repay an \$800m Eurodollar loan before the due maturity dates as part of the Government's policy of reducing outstanding foreign currency debts. Page 8

• U.S. SENATE energy committee voted to require Congressional approval of oil import quotas set by President Carter.

• WEST GERMANY and China signed their first joint economic co-operation agreement setting out a six-year framework for the development of bilateral trade. Page 6

• TRADE surplus in West Germany fell sharply in the first nine months of this year to DM 18.4bn (\$4.82bn) against DM 29bn in the same period last year. Page 3

• CANADIAN Government has tabled revised banking legislation which will allow foreign banks to operate as banks in the country. Until now, they have only been allowed to do business if they did not call themselves banks. Page 4

LABOUR

• BRITISH industry lost more than 11.2m working days through strikes last month—more than in any month since the General Strike in 1926. Back Page 3

• M.Y. DART, the sports and leisure concern, reports pre-tax profits up 10 per cent to £1.72m for the year to June 30, and has announced a £1.5m rights issue on a one-for-four basis at 40p per 10p share. Page 33

• TELEPHONE RENTALS has lifted first half pre-tax profits from £4.98m to £5.4m on turnover ahead from £16.47m to £18.6m. Page 28

Left-wing takes firm grip on Labour inquiry

BY RICHARD EVANS, LOBBY EDITOR

THE LEFT-WING majority on Labour's National Executive Committee yesterday took a firm grip on the Commission of Inquiry that will play a key role in deciding the future control and direction of the party.

In doing so, the Left-wing inflicted a further humiliating defeat on Mr. James Callaghan by rejecting his demand for much stronger representation for Labour MPs on the commission.

The scene is now set for nine months of grueling infighting on the commission before a report is presented to the NEC next summer and recommendations put to the party conference and Parliament and the transfer of control of the manifesto to the party conference and NEC.

In spite of several attempts by Mr. Callaghan and his allies to achieve strong representation for the Parliamentary Labour Party on the commission, the NEC backed by 13 votes to 8 a resolution on the commission's composition moved by Mr. Benn and seconded by Mr. Eric Heffer.

This proposed that, in addition to the five trade union representatives already chosen, there should be five NEC members plus Mr. Callaghan, party leader, Mr. Michael Foot, deputy leader, Mr. Norman Atkinson, party treasurer, and Mr. Alex Kitson, party vice-chairman.

Nine names were put forward for the five NEC places. Those elected were Mr. Benn, Mr. Heffer, and Miss Joan Lester (15 votes each), Miss Jo Richardson and Mr. Frank Alman (11 votes each). The unsuccessful candidates were Mrs. Shirley Williams (10 votes), Lady Lena Jager (9 votes), Mr. Les Huckfield and Mr. Alan Haddow (8 each).

The trade union representatives are Mr. David Bassett, general secretary of the Municipal and General Workers' Union, Sir John Boyd, general secretary of the Amalgamated Union of Engineering Workers; Mr. Moss Evans, general secretary of the Transport and General Workers' Union; Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs; and Mr. Bill Keys, general secretary of the Society of Graphical and Allied Trades.

The composition of the commission is crucial because its political complexion seems certain largely to determine its attitude to the constitutional issues which will in turn determine future control of the party.

Its terms of reference are wide ranging that even the issue of a new method of electing the leader—rejected by the past two party conferences—could now be resurrected.

Continued on Back Page

FORCED RECRUITMENT of a company's workers into a trade union by means of industrial action at the company's customers could become illegal. Proposals for a change in the labour law were published by the Department of Employment yesterday for inclusion in a Bill at the end of November.

The plans are the direct consequence of a report into the recruitment activities of two print unions, the process workers—SLADE—and the National Graphical Association. That report, commissioned by the Government and published last week, said SLADE had tried—and sometimes succeeded—in coercing advertising agency staff into the union and into closed shops by blacklisting, or threatening to black the agencies' artwork at the printing works.

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In average winter weather the interruptions to gas supplies could last for between 20 and 25 days, about twice as long as the cuts in recent winters.

A severe winter could result in the manufacturers on interruptible contracts being without gas supplies for an average of six weeks, the maximum possible.

In some cases they may be given only four to six hours notice of being cut off from gas supplies.

British Gas has written to tell customers that it is their responsibility, and not the Corporation's, to ensure that they have adequate standby fuel.

Several companies have said they could have problems in obtaining alternative oil supplies. If so, companies may be forced to close down for a limited period. However, British Gas says stocks of alternative fuels are high.

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Continued on Back Page

Record coal tonnage to CEGB. Page 8

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U.S. plans new bonds issue in Germany

By Francis Gillies and David Marsh

THE U.S. GOVERNMENT is to issue up to DM4bn (£2.216bn) worth of foreign currency bonds in West Germany. Two equal instalments of DM2bn are planned, one next month the other in January.

Last night, Mr. Callaghan called the Shadow Cabinet to a meeting at his room in the Commons to discuss the implications of the outcome of the NEC meeting.

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EUROPEAN NEWS

Anthony Robinson examines the background to the Czechoslovak dissidents' trial

Demands for democracy refuse to be stifled

THE INHUMAN face of East European socialism showed itself again in Prague this week. What is arguably the least popular regime in the area defied world opinion and sentenced five leading dissidents to a total of 19 years in jail. The sentences were handed down after a two-day trial which was merely the latest, and probably not the last, in a black tradition of political trials in post-war Communist Czechoslovakia.

On the surface, the trials and the harsh sentences look like a victory for the hard-liners, not only in Czechoslovakia but elsewhere in the bloc, where systematic repression of dissidents has been increased in recent months. But the fact that such measures are still deemed necessary 11 years after the Warsaw Pact invasion and suppression of the Prague Spring essentially reflect the failure of the post-Dušek regime to stifle the demand for greater democracy expressed so strongly at the time.

It has not been for want of trying. The Czechoslovak Communist Party suffered a thorough-going purge in the three years following the invasion. Thousands of intellectuals, managers and trained personnel were fired from their jobs or emigrated. Since then, mediocrity and conformity have been the essential pre-requisites for a good job and a quiet life. The quality of life in a country already debilitated by the decimation or emigration of its intellectual and cultural elites in 1938 and the post-war Stalinist purges, has suffered greatly as a result.

The Soviet "advisers" who installed themselves in Prague after August, 1968, selected Gustav Husák to replace Alexander Dubcek as party chief and flanked him with a group of pro-Soviet hard-liners. The thoroughness of the purge left no doubt as to the Soviet estimation of the breadth of support which the Dubcek régime had enjoyed. It had no illusions that "normalising" Czechoslovakia would be a long and difficult task. But, with their Hungarian experience as a guide, they clearly hoped that the new "rulers" of Czechoslovakia would be able to repeat the cautious and successful policies



The six Czechoslovak civil rights campaigners. Above: Václav Benda, Petr Uhl and Ota Bednářová. Below: Dana Nemčová, Jiří Dienstbier and Václav Havel.



of national reconciliation pursued by Hungary's János Kádár after suppression of the 1956 revolt in Budapest. What they failed to take into account was the depth of the trauma suffered by suppression of the Prague Spring and the extent of the "inner emigration" of those embittered by the shattering of their hopes.

Unlike Mr. Kádár, who declared that "those who are not against us are with us," the rigid Stalinist-trained ideologues in the Czech and Slovak parties on the other hand reviled the bickering tone, the red banner slogans and the artificial, artificial pro-Sovietism of those who had achieved a new status in the Government.

In order to help the "anaesthetisation" of Czechoslovakia, the Soviet Union political framework within

low profile after 1968, and patiently steered the country towards an economic reform policy. The insensitive ideologues in the Czech and Slovak parties on the other hand channelled considerable economic resources into the country for a decade and ensured an artificially high standard of living—certainly far higher than that enjoyed by its own citizens.

Protected by this partly artificial prosperity, however, the new regime failed to correct the clear signs of relative economic decline which had emerged in the 1960s and which underlay the demands for economic reform put forward by economists like Ota Šik. The Prague Spring expressed demands for economic reforms which were as pressing as those for a new political framework within

which such reforms could be carried out.

In the climate of conformity and mediocrity created since 1968, entrepreneurial skills have suffered. Closer dependence on the Soviet Union has been enforced by the expansion of heavy industries rather than the light consumer-oriented and high technology industries on which Czechoslovak prosperity has traditionally been based.

To add insult to injury, Soviet Prime Minister Alexei Kosygin strongly criticised the country's economic performance when he visited Prague this summer. He was particularly scathing about long delays in producing vital components for the Soviet co-ordinated Comecon nuclear energy programme and warned that Czechoslovakia could no longer count on subsidised Soviet energy and raw material supplies in the coming decade. Against this background, the regime is now desperately attempting to make up for lost time by introducing a watered-down version of the kind of industrial de-centralisation plans first espoused by the Ota Šik school of economists. It is also stepping up its search for industrial, trade and energy co-operation agreements with the West. As part of this drive, Mr. V. Ehrenburger, the Czechoslovak Energy Minister, is presently in the UK.

After a further decade of industrial distortion and economic conservatism, however, Czechoslovak managers and a largely apathetic work force have demonstrated considerable reluctance to take advantage of the sort of entrepreneurial risk-taking and foreign trade flexibility being officially pushed by Mr. Leopold Šer, the Finance Minister, and other reform-minded technocrats in the Government.

"Industry has responded to economic forces," Mr. Allaire said. As the cost of energy had increased, conservation had made good business sense. But future initiatives would require more capital investment and, in many cases, the development of new, less energy-intensive technologies.

The point seems to be that the success of economic and other reforms depends on the political, social and cultural framework within which they take place. This week's Prague trial demonstrates that the real saboteurs of Czechoslovak progress are the hard-liners themselves, not those courageous free spirits who have kept alive that image of a democratic Czechoslovakia which emerged so strongly 11 years ago.

These included cutting through "the jungle of U.S. regulations and controls which blocks all initiatives and developments in energy," the unequivocal encouragement by the U.S. Administration of the development of nuclear plant, and the continuation of the phasing out of control on oil and gas prices.

Mr. Hugh Guthrie, director of energy at the Stanford Research Institute International, said market forces were essential to the conservation of energy and the development of new sources. "Energy conservation in industry is occurring because it makes good economic sense as well as representing responsible stewardship," he said. Mr. Guthrie estimated that the use of microprocessors in energy conservation would over the next decade represent 30 per cent of the conservation potential.

Extreme uncertainty

Professor Edith Penrose, of the European Institute of Business Administration, said that, for the most part, conservation often required large expenditure. She said the real difficulty in making decisions on conservation lay in the "extreme uncertainty surrounding the important variables." The incentive to conserve energy over the next two to three years was strong in view of the near certainty that in that period prices were unlikely to fall very much. But, for longer periods, present prices became less relevant in comparison with expected prices and availability and, here, uncertainty was still very high.

Mr. M. C. Roberts, manager of the energy conservation division of P.A. Management Consultants, said energy was "a management opportunity, not a technical one, despite its technical overtones. It should be treated as a direct cost or direct raw material rather than an overhead." He said it was essential for all organisations to carry out some form of regular energy audit.

Use of alcohol

Mr. Juan Miguel Aranzanas Pérez-Egea, president of the Spanish automobile manufacturers (SEAT), said his industry must think in terms of the "re-invention of the automobile" with a view to world requirements by 1990. There was good reason to believe that the use of alcohol would increase substantially and, perhaps, by 1990, hydrogen would be used as a fuel.

Dr. Harry A. Robinson, deputy manager for energy affairs at the Federation of Swedish Industry, said industry did not see energy conservation as a goal in itself. Its priority depended on the economic value relative to other business opportunities. However, from a government point of view, energy savings were regarded more as necessary investments which should be undertaken even if they yielded a relatively low return.

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Demirel asked to form Government

BY METİN MUNİR IN ANKARA

THE MAIN opposition leader, Mr. Süleyman Demirel, was yesterday asked to form a Government by Mr. Fahri Korutuk, the Turkish President.

He is by no means assured of success, however, and the political uncertainty which started eight days ago with the resignation of Prime Minister Bülent Ecevit, is not yet over.

"I am not going to form a Government for the sake of forming one," warned Mr. Demirel after his 90-minute interview with the President. "I want a Government which will work in harmony and have sufficient parliamentary backing to enable it to come to grips with the country's problems."

Such a Government may not be feasible in view of the deeply splintered nature of the National Assembly.

Mr. Demirel's pro-private 47 per cent of the votes in recent by-elections but the combined strength of the right-wing opposition seats only went up to 227, which is one more than is needed for an absolute majority.

He can theoretically form a minority government based on these seats. Two of his former

coalition allies have already pledged support for such an administration. He can also rely on the hostile neutrality of Mr. Ecevit, who has promised not to obstruct the formation of a new government.

The prevailing opinion in Mr. Ecevit's Social Democratic party is to make things easy for Mr. Demirel in the hope that he will be obliged to make unpopular decisions to fight the plague of political violence and the economic crisis, and will lose popularity with the electorate as a result.

Mr. Demirel has nearly 10 years of experience as Prime Minister behind him and is one of Turkey's best political tacticians. He is undoubtedly aware of Mr. Ecevit's motives and that these are shared by some right-wing parties.

As if to stress the gravity of the situation, Parliament met yesterday and extended martial law in 19 provinces, where half of the population lives, for a further two months. There are mile-long queues at petrol pumps in Ankara and most other Turkish cities. Critical negotiations are also coming up with the International Monetary Fund next month.

Setback for Europe monetary fund

BY DAVID MARSH

THE EEC's ambitious plan for a centralised European currency fund that would channel credits to members of the European Monetary System (EMS) now seems unlikely to be implemented by the original deadline of spring 1981.

This is a result of disagreement among EEC countries—above all West Germany and France—over the powers and functioning of the fund. There are particular obstacles to the proposal that its operations should be financed by a permanent pooling of part of the member countries' gold and foreign exchange reserves.

The European Monetary Fund, conceived as a "European IMF" with powers to lay down economic conditions for longer term credits, was one of the principal innovations of the Franco-German initiative to promote monetary stability in Europe.

According to the EEC's original intentions, the provisional EMS arrangements for settling intervention transactions and granting balance of payments credits were to have been consolidated into a permanent fund within two years of the scheme's implementation last March.

The setback to these hopes comes at a time when EEC central bankers have privately concluded that the practical functioning of the EMS—in spite of the technical changes introduced when it was set up—has so far been little different from that of its predecessor.

the European "snake."

The "divergence indicator" set up to register movements of currencies against a Community average has been of little practical significance. And the greatly expanded credit facilities under which deficit countries could obtain conditional medium-term finance have become irrelevant at a time of high international liquidity.

Under the arrangements in force since March, EMS central banks have been depositing 20 per cent of their gold and dollar reserves with the European Monetary Co-operation Fund, the forerunner of the planned European Monetary Fund. In return they receive a stock of European Currency Units (ECUs) which can be used to finance intervention within the system. At present rates ECU holdings are worth about \$40bn—much more than originally anticipated because of the rise in the gold price.

The deposits are on a three-monthly renewable basis. As in the "snake," central banks retain full control and ownership of their reserves.

However, under the planned move in the "second stage" of the EMS by March 1981, the reserve deposits would eventually become permanent holdings of the European Monetary Fund. This institution would be both a kind of European central bank administering short term credits to finance EMS intervention as well as a policy-making body empowered to make longer-term balance of payments loans.

Inflation slows in France

BY DAVID WHITE IN PARIS

INFLATION SLOWED slightly in France last month, with a 0.8 per cent rise in the consumer price index. But the annual rate of increase went up to 11 per cent from 10.8 per cent in August.

The economy Ministry said that the evolution of consumer price inflation since last year was nevertheless more favourable in France than in the U.S.,

West Germany, Italy or Britain. The Government will doubtless be reasonably satisfied if the 11 per cent annual rate is maintained for the whole year. For the last three calendar years, French inflation has kept just short of double figures. The annual rate, calculated on the basis of the last three months, remained steady in September at 13.4 per cent.



President Leonid Brezhnev yesterday made his first public appearance in more than two weeks (above) when he went to Moscow airport to welcome President Abdul-Fattah Ismail of Saudi Yemen. He was last seen in public 16 days ago when he returned from a visit to East Germany, and there had been speculation about his health.

President Brezhnev's appearance yesterday, despite wintry weather, suggested that his health was not giving cause for undue concern. Yesterday there were widespread rumours in the West that he might have died. At the time Soviet officials said that Mr. Brezhnev was indisposed but would reappear shortly.

Foreign diplomats who watch him closely say he is clearly declining in health and almost certainly needs regular rest and recuperation.

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كتاب من الأذن

EUROPEAN NEWS

Euro MPs may vote soon on tighter expenses rules

BY ELINOR GOODMAN IN STRASBOURG

PROPOSALS for new restrictions on the expenses charged by staff employed by all the European institutions are likely to be put to members of the European Parliament for approval within the next few weeks.

The controls would not, apparently, only affect members of the Commission, whose expenditure has been repeatedly criticised over the last few months, but also those of MEPs and employees of other Community bodies like the European Court of Justice.

As drafted, the proposals would mean that some members of the Commission might have to repay expenses they have incurred without authorisation. This would be on top of those they have paid back as the result of an earlier inquiry.

The proposals are expected to

go before the Parliament's budgetary control meeting early next week for initial scrutiny. They would have to be agreed eventually by the Commission which, in the summer, presented its own plans to control expenses in the light of criticism of the old regime from the Court of Auditors.

The Court of Auditors' report found a remarkable lack of control over Commission expenses. It was initiated after criticism in the Press of extravagant spending by some Commissioners.

The report to be put to the budgetary control committee is understood to welcome the Commission's new rules for monitoring expenditure on items like entertainment. But it is thought to conclude that these changes do not go far enough. The idea seems to be that the Court of Auditors

should review the working of the new rules after a few months and that, at the same time, ceilings should be introduced to cover expenditure on individual items such as air taxis. Earlier inquiries showed that some Commissioners used

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OVERSEAS NEWS

Dayan's resignation clears way for Begin reshuffle

BY DAVID LENNON IN TEL AVIV

A CABINET reshuffle and discussion of a compromise over the issue of settlements on the West Bank are keeping the lights burning late in the offices of Mr. Menachem Begin, the Israeli Prime Minister. Mr. Begin is striving to overcome the resignation of the Foreign Minister, Mr. Moshe Dayan, which rocked his Government early this week.

The Government defeated five no-confidence motions in the Knesset on Tuesday night and the threat of a further resignation—by Mr. Ariel Sharon, Minister in charge of settlements—seems to have evaporated.

It also seems that the resignation of Mr. Dayan on Sunday had a silver lining. It will enable Mr. Begin to undertake a reshuffle which the coalition parties have been calling for some months.

The basic demand was for the removal of Mr. Simcha Erlich who has been discredited as Finance Minister by the growth of inflation to 100 per cent and the increase in the balance of payments deficit.

But as Mr. Erlich heads the powerful Liberal Party in the coalition, he can only be moved if another senior post is available. Mr. Dayan's resignation has provided just that opening through which a reshuffle of portfolios will probably leave



Mr. Simcha Erlich—likely to be replaced

Mr. Erlich as Deputy Prime Minister

The second objective of the marathon series of meetings conducted by the Prime Minister yesterday and on Tuesday was to find a way to avoid a frontal clash with the ultra-nationalist Gush Emunim settlement movement.

Its members said they would not evacuate the Elon Moreh settlement on the West Bank, despite a Supreme Court order

on Monday to do so within 30 days. As a believer in the rule of law and in Jewish settlements on the West Bank, Mr. Begin faces a difficult challenge.

He is seeking some way to persuade the settlers to move, while at the same time assuring them of his determination to continue with the settlement process. Some reports yesterday suggested that he might offer the Elon Moreh settlers a site near that which they have been ordered to leave. At the same time he is expected to authorise the start of work on six new settlements.

It was over the Elon Moreh issue that Mr. Sharon had hinted at resignation, but it later emerged that he was bluffing.

Anthony McDermott adds: Another round of informal talks starts in London today between Egypt and Israel on the future political status of the West Bank and Gaza Strip. The talks, involve Mr. Robert Strauss, President Carter's special envoy to the Middle East. Mr. Yosef Burg, Israel's Interior Minister, and Dr. Mustapha Khalil, Egypt's Prime Minister.

The lack of progress after five months is shown by the fact that diplomats talk only of negotiations about "modalities" and are agreed that there is little agreement between Egypt and Israel beyond identification of areas of disagreement.

Confusion over Zambian raid

BY OUR LUSAKA CORRESPONDENT

THE MILITARY situation in southern and western Zambia remained obscure yesterday after what appeared to have been the largest Zimbabwe Rhodesian raid into Zambia since such attacks began a year ago.

President Kenneth Kaunda said on Tuesday night that the 400 Zimbabwe Rhodesian troops and 600 South African soldiers who entered Zambia a week ago were still in the country. This contradicted an announcement from Salisbury that its troops had withdrawn after completing their operation.

No official information on casualties or battle damage was available, partly because of the national holiday marking the

13th anniversary of Zambia's independence.

As usual after such raids, wards at the main university teaching hospital were cleared to take in casualties. But the hospital said the wards were virtually empty at mid-afternoon.

Correspondents driving on the main road south from Lusaka saw no sign of wounded men being evacuated, and no special security measures were in force. The Zimbabwe Rhodesian authorities said the attack was aimed at bases of Zipra (Zimbabwe People's Revolutionary Army), the military wing of the Patriotic Front's co-leader, Mr. Joshua Nkomo. The Zambians have confirmed this.

Casualties among Mr. Nkomo's

guerrillas were expected to be treated in field hospitals, making any assessment of the scale of the fighting and final casualty figures difficult.

There has also been no word of the situation in the remote Western Province, where President Kaunda said the South Africans were occupying parts of the Sesheke and Senanga districts close to the Namibian (South West African) border.

Poor communications with western Zambia have often delayed the release of information about the frequent raids staged by the South Africans in pursuit of guerrillas of the South West Africa People's Organisation, who are based in Zambia and Angola.

Mauritius agrees 30% devaluation

By Quentin Peel in Johannesburg
THE GOVERNMENT of Mauritius has announced a 30 per cent devaluation of its currency, the rupee, as part of a major IMF package of support for the island's critical balance of payments deficit.

The package, which requires a 20 per cent cut in the Government's budget deficit, an increase in the bank rate and a credit ceiling on bank lending, provides IMF support of some Rs730m for the country's foreign exchange reserves.

The major factors behind the foreign exchange crisis are an overwhelming reliance on sugar as a principal export when the world price is low, and steep rises in import costs, particularly of oil. The island's deficit on visible trade grew from Rs83m in 1975 to Rs1bn in 1978. Foreign reserves declined to only Rs85m in August, less than enough for two week's imports.

A Government statement said the devaluation would mean a 15 per cent increase in the cost of living, and announced an immediate 13 per cent increase in wages and salaries. It said that prices would be strictly controlled.

There are widespread doubts, however, that the package will help Mauritius. Exports, 65 per cent of them sugar, are highly inelastic.

Mauritius has been badly hit by labour unrest in recent months, including a general strike, which delayed exports through the harbour at Port Louis. Imports are already governed by quotas, except for food imports including staples such as rice and flour. The Government has agreed to cut its heavy subsidies of rice and to allow the flour price to increase by the amount of the devaluation to reduce its likely Rs250m budget deficit.

The austerity package seems likely to weaken the position of Sir Seewoosagur Ramgoolam's fragile coalition Government. This is challenged by the radical Mouvement Militant Mauricien, which was already the largest political party at the last elections and controls the key transport trade union.

Thai unit clashes with 'foreign patrol' on border

BANGKOK—A Thai military unit clashed briefly yesterday with a foreign patrol along Thailand's troubled eastern border with Kampuchea, the supreme command reported.

A spokesman said the clash, in which both sides used automatic rifles, took place about 200 yards inside Thailand in the Ban Nong Chan area about 160 miles east of Bangkok. It lasted for 15 minutes.

He added the Thai unit suffered no casualties and captured a soldier of the other side, who was being interrogated.

The spokesman said he would not speculate on whether the clash involved Vietnamese troops as there were also right-wing "Free Khmer" Kampuchean guerrillas on the other side of the border.

In which both sides used automatic rifles, took place about 200 yards inside Thailand in the Ban Nong Chan area about 160 miles east of Bangkok. It lasted for 15 minutes.

Mr. Nguyen Ko Thach, Vietnam's Minister of State for Foreign Affairs, has promised that Vietnamese forces backing the Phnom Penh administration would not violate Thai territory in their campaign against anti-government guerrillas.

The "Free Khmer" guerrillas are opposed to both the Vietnamese forces and the Khmer Rouge guerrillas loyal to the ousted Kampuchean Premier, Pol Pot.

Reuter

Dubai to sell half its oil at spot market prices

BY RICHARD JOHNS, MIDDLE EAST EDITOR

DUBAI EVIDENTLY intends to price half of its oil production, which is currently running at 360,000 barrels a day, at spot market prices.

Continental Oil yesterday said that the Government was demanding the purchase from the company of 50 per cent of its entitlements at the official selling price of \$21.43 per barrel.

The company has been informed that it is the preferred customer if it wants to buy back oil at an unspecified rate set by Dubai. Continental said that no

price had yet been set.

However, the clear implication was that it would be at the levels prevailing on the spot market.

It is understood that the other shareholders in the offshore producing operation, in which Continental Oil has a 30 per cent stake have been given the same conditions. They are Compagnie Francaise des Petroles (25 per cent), Hispanoil (25 per cent), Texaco (10 per cent) and Wintershall (5 per cent).

Another criticism in the newspaper was directed at industries which valued production figures more highly than the needs of the working people.

"Some comrades regard the consumers' needs as a negative matter," the People's Daily said. "They think mistakenly that a country can become prosperous rapidly by increasing production to the maximum while holding consumption to the minimum. They do not understand that consumption is part of production."

The newspaper cautioned against taking Marxist theory too literally. "Marxism correctly stresses the priority of

the production of producer goods over consumer goods," it said. "But if this is emphasized to an inappropriate extent, it will upset the economic balance."

When the production of consumer goods lags far behind that of producer goods, it is necessary to change the situation as rapidly as possible and pay more attention to the needs of the consumer. Production in a Socialist country is not aimed at exacting maximum surplus value from the labouring people."

Reuter reports from Hong Kong: The Bank of China is preparing to open branches in New York and Tokyo and a representative office in Paris. Mr. Lin Chi-hsin, managing director of the bank, has disclosed.

In a lecture on China's banking business, he is reported to have said that the Bank of China intended to develop a system of bilateral loans instead of putting emphasis on syndicated loans because the procedure for organising syndicated loans was complicated.

According to Mr. Li, China had spent much more on produc-

India looks to Russia for strike aircraft

By K. K. Sharma in New Delhi

The Indian Government believes the country's air force still needs a tactical strike aircraft, in spite of the £100 Jaguar deal concluded with British Aerospace. Efforts to strengthen the Indian Air Force (IAF) further in this direction may be made with Soviet help.

The Defence Minister, Mr. C. Subramanian, yesterday announced new Soviet collaboration to modernise the Indian Air Force. He said agreement had been reached with Moscow on the acquisition of a medium transport aircraft, the AN-32, and of Mi-8 helicopters.

But there have also been indications that talks have been held on manufacturing the MiG-23 fighter aircraft in India. The Russians have already established plants in India to make both the MiG-21 and its improved version, but these will not meet the IAF's needs after some years.

Mr. Subramanian, who recently defended the Jaguar purchase in the face of considerable criticism by leaders of the ruling Lok Dal (People's Party), has assured senior air force commanders that the Government plans to equip it with new aircraft and a modern weapons and missile defence system. He has not indicated which aircraft or missiles are being considered.

The AN-32 will replace the air force's obsolete transport squadrons. It will be delivered by the Russians in the early 1980s and is later to be manufactured in India under the Government's policy that all defence equipment should be indigenously made.

Officials are reluctant to disclose the exact nature of the measures. But it is reliably learned that an immediate step will be to close the illegal ports which have sprung up along the coast as a result of the civil war and the continuing state of lawlessness.

The ports were used during the war for smuggling weapons to the rival Moslem and Christian militias. Although they are still used for that purpose, they have also become havens for contraband and piracy.

The smugglers are reported to be co-operating with similar groups abroad, especially in Greece and Cyprus. Shiploads of goods bound for other countries have been brought to the illegal harbours after the ships have changed their names.

Saudi Arabia is reported to be the country most injured, as commodities destined for Saudi ports have been diverted to Lebanon.

The Saudi Embassy in Beirut recently sent a Note to the Lebanese Government complaining that a Greek steamer bound for Saudi Arabia had been diverted to the Lebanese coast where its cargo had been unloaded.

As an indication of its anger, the Saudi Government has stopped importing any goods by way of Beirut. In the past, part of Saudi needs were imported via Lebanon and the carried to Saudi Arabia by the overland route across Syria and Jordan.

The Lebanese Government is embarrassed diplomatically by the piracy and hurt financially because it is deprived of customs duties. According to the latest statistics, the Treasury has lost £640m (about \$57m) in revenue in the past year.

The Government is now expected to provide the coastguard with gunboats and helicopters. The Lebanese army, police force and Syrian troops of the Arab peace-keeping force are expected to help in closing the illegal ports.

Dr. Cheddi Jagan, leader of the left-wing Opposition, and Mr. Failden Singh, leader of the

AMERICAN NEWS

Canada to regulate foreign banks

BY W. L. LUETKENS

THE NEW Canadian Government has tabled revised banking legislation which will allow foreign banks to operate as such within the country. Hitherto they have been allowed to do business provided they did not call themselves banks.

The new Bill would concede that right. On the debit side it would force the foreign-owned banks to maintain statutory reserves with the Bank of Canada at no interest. On the other hand, they would gain access to the Bank of Canada as lender of last resort.

The Bill introduced on Tuesday by the Minister of Finance, Mr. John Crosbie, largely follows the pattern set by the Bill tabled in 1978 by the Trudeau Government to revise banking legislation, quite apart from the question of foreign banks. The Bill fell away when the Liberals lost the election last spring, but the committee work done on it is partly reflected in the new version.

Like the proposals of 1978, the new Bill aims to exert heavy pressure on foreign-owned

financial institutions to seek bank status in Canada, partly in the interests of giving the Bank of Canada improved control over monetary policy. Those foreign-owned financial institutions for quasi-banks as they are locally known) which fail to achieve full bank status will lose the right to issue paper to Canada with the guarantee of their foreign parent.

As tabled the Bill would limit the aggregate business of the foreign banks. The formula chosen is that their total Canadian assets must not exceed 8 per cent of the total domestic assets of the figure that would limit foreign banks to total domestic assets of C\$ 10.6bn (about \$4.2bn).

Since foreign-owned banks have been operating in Canada under all sorts of guises, the size of their business is hard to gauge. According to Canadian bankers, foreigners probably have a share of more than 10

per cent of Canadian commercial lending.

The purpose of the original Act of 1978—as that of the new version—quite clearly was to give the Canadian banks slightly more competition. Given the widespread U.S. ownership of Canadian industry, both politicians and bankers were reluctant to open the gates wide.

One concession that the new Bill makes to foreigners is to drop the provision that would have limited them to a maximum of five branches. But given their orientation towards wholesale business, this will have little impact.

Another concession that may prove of crucial importance to several foreign-owned financial institutions in Canada has been made. Under certain circumstances they will be allowed to bank associated non-financial companies in Canada. The draft of 1978 was extremely restrictive in this sphere.

Deficit may widen, Page 6

Labour Secretary criticises Fed

BY DAVID BUCHAN IN WASHINGTON

5.8

per cent last month, about the average for this year, but is expected to rise sharply in the 1980 presidential election year as Fed policies take hold.

It is not clear whether the Labour Secretary in his Tuesday press conference deliberately strode ranks with the White House. But the Administration has an interest in letting the unions know it's sympathetic to the impact of monetary restraint on jobs.

Mr. Marshall urged that, if and when unemployment starts to climb, the Administration should step up public job and training programmes. This is in fact one undertaking President Carter made in the "national accord" he signed with the AFL-CIO union federation in late September.

Mr. Ruben Askew, the special trade representative, has also let union leaders know that the free flow of trade resulting from the just completed General Agreement on Tariffs and Trade (GATT) accounts will not be used to damage the shakier sectors of the economy—like steel and textiles—where unions are worried about jobs being lost because of imports.

Senator Baker, who has claimed that the treaty will never pass the Senate without substantial amendment, yesterday offered two more amendments which were rejected by a bigger margin. One would have required the Russians to dismantle their SS-18s by the end of 1981. The other would have required agreement in any SALT III talks by the end of 1981 that the Russians scrap all heavy missiles by 1985.

Senator Frank Church, who himself has made Russian troops in Cuba an issue in the SALT debate, yesterday described both Baker amendments as fatal to the treaty. He said before the votes that "if either amendment is adopted by the committee, we might just as well shut up shop."

The Committee, which is preparing the treaty for presentation to the full Senate probably next month, has however adopted one "understanding" attached to the treaty—that SALT would not prevent the U.S. from collaborating on nuclear weapons with its NATO allies. An "understanding" does not require specific Soviet approval.

Brazilian Communist urges unity

BY ROBERT LINDLEY IN BUENOS AIRES

GUYANA'S PARLIAMENT has again postponed general elections, this time for a year. The Government says the extra year is needed to enable a constituent assembly to finish drafting a constitution.

Perhps the most significant point to emerge from the debate is that the Government has used the Soviet Union and other Communist states almost exclusively as the points of reference in discussing issues of democracy and economic development—something not unexpected because of Dr. Jagan's abiding admiration for the Communist model of political, social and economic development.

The 82-year-old Secretary-General received a tumultuous welcome last Saturday after his eight years of exile in the Soviet Union. He returned after an amnesty Bill was drawn up by President Joao Figueiredo, the first step in the Government's policy of liberalisation.

Thus, when Dr. Jagan claimed the Government was moving towards a one-party state, Mr. Burnham assured that this was not so, but accused him of "intellectual dishonesty" in expressing concern over the possibility of a one-party state when he was an admirer of the Soviet Union.

On the other hand, the urban centres in the interior of the province welcome Gen. Saint Jean's initiative

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WORLD TRADE NEWS

Canadian deficit may widen to £4bn

By Victor Mackie in Ottawa
THE CANADIAN current account deficit may reach \$310bn (£4bn) in 1980-81, up sharply from an estimated \$37bn deficit for this year, Mr. Michael Wilson, International Trade Minister, has predicted.

Mr. Wilson told the Canadian Export Association's annual meeting here that, despite previous inadequate efforts, a rejuvenated private sector working with the new Government can help close the gap.

Both sectors of the economy need new perceptions of each other and innovative approaches to trade promotion and policy, he said.

The deficit, on current account for 1978-79, was C\$5.3bn. This year's deficit may be slightly offset by a C\$2bn trade surplus, Mr. John Crosby, Finance Minister, has forecast.

While they are not likely to be announced in the November budget, new tax incentives will be introduced for exporters in Canada. The Government also will provide more trade with industrialising countries on the rim of the Pacific Ocean, Mr. Wilson said.

The Department of Industry, Trade and Commerce will also consider how better to reflect trade considerations in foreign policy and to rationalise Federal support programmes to meet industrial requirements.

EUROPEAN TRUCK INDUSTRY

Squeeze is on for room at the top

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THERE MIGHT be room for only five or six European truck manufacturers at the top of the industry by the end of the 1980s compared with 20 today. These five or six will very probably account for 80-90 per cent of industry volume, according to Eurofinance, the Paris-based research organisation.

The major restructuring of local manufacture in markets currently taking exported trucks and the Japanese drive into commercial vehicle markets in "neutral" countries makes it clear that exports are "not going to exert a positive influence on European truck production as a whole in the 1980s."

Some producers point to a "new" market opening up in the U.S., but Eurofinance suggests the U.S. in the 1980s would have to take 30,000 European-built trucks a year to substantially change the prospect of a downturn for European truck exports.

The forecasters suggest that during the 1980s European truck output might increase at around 1 per cent a year from 475,000 in 1980 to 512,000 in 1985 and 520,000 in 1990.

(In this context 16 countries are included in "Europe" and trucks are vehicles of over 3.5 tonnes gross weight.)

Within the overall total, however, production of medium distribution trucks (8 to 12 tonnes gross vehicle weight) should decline noticeably in numbers "perhaps causing considerable problems for some of the cur-

Mitsubishi cars for Italy

TOKYO Mitsubishi Motors has signed a contract to export Mirage cars to Italy, the company announced.

This will be the first time that Mitsubishi has exported cars to Italy.

Under a contract signed with Bepi Kelliker Importazioni, an Italian sales company, the first shipment of the

four-door passenger cars will leave late in November. The cars will be called 1300 GLX in Italy but the price has not been disclosed.

During the last two months of this year, Mitsubishi is hoping to export 240 units. Beginning next year, it is planning to ship out between 300 and 400 units a year.

AP-DJ

Eurofinance maintains that the truck industry structure should undergo considerable change, with Spain providing the immediate focus of attention.

Closer links will be forged between the truck makers and the major independent component manufacturers. "It is the existence of big, independent suppliers of engines, gearboxes and axles which could ensure the survival of Europe's smaller truck makers."

But many of the small groups are locked in, politically, to uneconomic manufacturing and lack the distribution and service networks commensurate with the growing international scale of their business.

"The agony, therefore, will be prolonged, but re-structuring is inevitable."

From the angle of individual companies, the pattern of mar-

ket development envisaged—that is, growth at the light and heavy ends—should favour producers such as Daimler-Benz of West Germany, IVECO, the Fiat-dominated group which also takes in Magirus Deutz of West Germany, Volvo and Scania of Sweden, and Ford.

The downturn in export demand will be better coped with by those companies with captive markets in the shape of significant assembly operations outside Europe—such as Daimler-Benz, IVECO and, to a lesser extent, the Swedish group.

Dealing with the Spanish truck industry, "the future of which is crucial to the industry structure in Europe," Eurofinance maintains that by the end of the 1980s Spain could easily be producing 50,000 trucks a year. But the bulk of this is likely to be under the banner of one of the existing industry leaders.

"The balance of competitive advantage in European trucks is already weighted in favour of Daimler-Benz and IVECO. If two of the Spanish companies were to move, for example, into the IVECO orbit, it would considerably reduce the scope for other manufacturers aiming at a leading place in European trucks."

European Truck Industry Ferier, Eurofinace, 9, Avenue Foch, 75008, Paris.

Eastern Airlines orders 2 Airbuses

By Terry Dodsworth in Paris

EASTERN AIRLINES, the U.S. company headed by Mr. Frank Borman, the former astronaut, has put in two new orders for the Airbus A300, the aircraft made in France for the European consortium which brings together companies in France, West Germany, the UK, Holland and Spain.

The order confirms Eastern's confidence in the European aircraft, which has so far failed to attract contracts with any other U.S. company. It brings Eastern's total order for the A300 to 28, plus nine options.

Airbus Industrie said yesterday that the aircraft, made in the B2 configuration with 280 seats, would be delivered to Eastern at the beginning of next year. Eastern aims to use them for the shuttle service between New York La Guardia, and Washington National.

Airbus says that it has also received three further option orders from a company which does not wish to be named. Including these, the number of aircraft ordered by its 28 client companies comes to a total of 373, of which 238 are firm and 135 options.

West Germany and China sign first trade pact

By ROGER BOYES IN BONN

MOST of the trade with West Germany, Peking's third largest trading partner, has been done by cash payments. But with China's fall into deficit last year's favourable credit lines have become increasingly important.

This has raised the question—left open by the agreement—of whether China would accept DM credits (the only sort that can be guaranteed by Bopo) or would insist on dollar credits, as in the past.

The treaty also stated the "most favourable" possible financing terms—in trade between the two countries. This, according to officials in Bonn, gives West Germany a valuable loophole should Japan alter the basis of its trading relationship with China. Japan has suggested that China be given developing-country status, giving it the flexibility to provide more favourable financing.

West Germany is clearly anxious that it does not lose out to Japan, one of its principal competitors in China in terms of easy financing.

Trade boost sought in UK-Soviet talks

By DAVID SATTER IN MOSCOW

THE EIGHTH annual Anglo-Soviet Joint Economic Commission opened yesterday with the British side concerned with seeking ways to end the current stagnation in Anglo-Soviet trade and develop new Soviet markets for British products.

As the terms of the five-year, £950m Anglo-Soviet export credit agreed during the visit of then Prime Minister Harold Wilson to Moscow in February, 1975, nears its close, only half of the credit has been taken up.

Recent figures show that the value of overall trade has increased 9 per cent during the first seven months of 1979, and the balance remains heavily in the Soviet Union's favour.

The 20-man British delegation

Italy to negotiate new co-operation agreement

By PAUL BETTS IN ROME

THE eve of five-day visit here of Mr. Nikolai Patolcev, the Soviet Foreign Trade Minister, when details for the new Italian-Soviet five-year (1980-85) co-operation agreement are expected to be worked out.

The negotiations for the new five-year package are particularly significant as they coincide with negotiations of similar new agreements between the Soviet Union and Britain and France.

During the Soviet Minister's Rome visit, Italian and Soviet trade officials are expected to discuss the interest rates and terms of a new Italian export credit line to Moscow.

Bristow buys helicopters

By LISA WOOD

BRISTOW HELICOPTERS, the group which services many of the North Sea oil rigs, has bought five helicopters from an American manufacturer at a cost of more than £27.5m.

The 44-passenger Chinook helicopters are manufactured by Boeing Vertol of Philadelphia, a Boeing subsidiary. The helicopters have been in use by the U.S. military for some years, but the manufacturers are now in the process of gaining civil certification for the machines.

Bristow, which at present operates American-built Sikorsky S61 helicopters in the North Sea, has bought the new helicopters because of increasing

demand by the oil industry for helicopters which can travel longer distance. Mr. John Howard, financial director of Bristow, said: "The Chinook helicopters travel for longer ranges than existing helicopters in use and carry twice as many passengers as the Sikorsky."

Bristow, which operates about 200 helicopters in its international aviation service, said it may buy more of the machines depending on the growth of exploration work. The helicopters will be used in the North Sea and off-shore Canada.

Mr. Howard said there was no comparable British helicopter to be bought.

Libyan gas turbine order

By RAY PERMAN

A £3.5m contract to supply two gas turbine power plants for Libya has been awarded to John Brown Gas Turbines of Clydebank, the company said yesterday.

The plants have been ordered by Arabian Gulf Exploration to drive oil pumping stations for the Messa oilfield 300 miles west of Tripoli. They have the ability to run on either crude oil or natural gas and will be shipped early next year.

The units were being supplied from stock so the order would not affect the proposal to make 600 employees redundant from Clydebank. Ninety-day redundancy notices were sent out last month.

ASEAN air fare advance

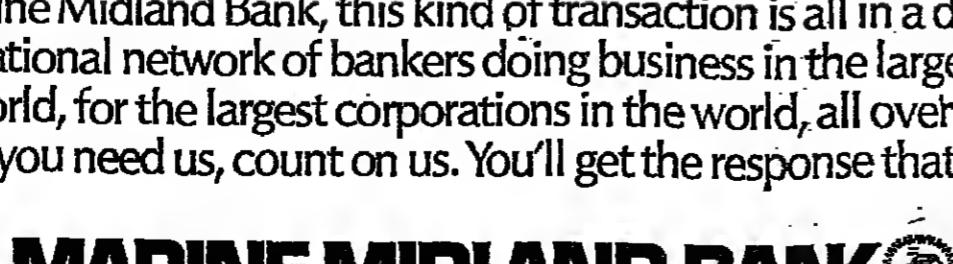
By PATRICIA NEWBY IN CANBERRA

AUSTRALIA has agreed to consult ASEAN countries in future on any new agreements with British and European airlines before they are implemented.

Cheaper air fares between Australia and ASEAN countries (Thailand, Indonesia, the Philippines, Malaysia and Singapore) were also agreed during a meeting in progress here this week between ASEAN and Australian officials.

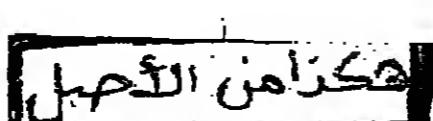
The new fares will be introduced on December 1. Low-season air fares will range from about A\$400 (£207) Jakarta return, to A\$550 (£254) Bangkok return.

Concessions have also been agreed on the lucrative Australia-Europe route after 12 months of wrangling since Qantas, British Airways and other European carriers introduced cheaper fares.



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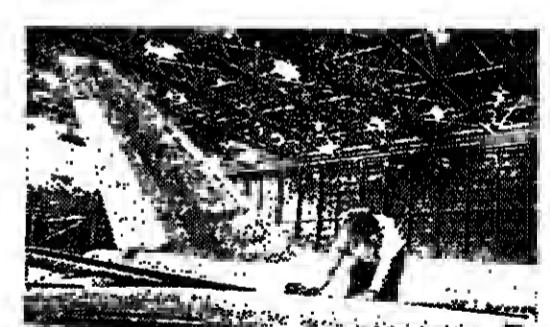
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UK NEWS

Scotland in talks for fourth major microelectronics plant

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A FOURTH major microelectronics plant will be set up in Scotland during the next 18 months if negotiations being conducted by the Scottish Development Agency with a U.S.-owned multi-national company are successful.

The company is thought to be Rockwell International and the project would involve the construction of a £20m plant in the central belt of Scotland, initially employing 500 people.

Motorola and General Instrument Microelectronics are already established in Scotland with semi-conductor factories which have been expanding recently, and three months ago it was announced that National Semiconductor was to expand its Scottish facilities with a £5m plant. This confirmed Scotland as a major base for the micro-

electronics industry in Europe. If Rockwell joins the list, almost all the major U.S.-owned multinationals in this field will have plants in Britain, Texas Instruments and ITT already have UK plants and Fairchild has formed a joint venture with GEC in the north-west, and Mostek is setting up a plant in Eire.

In addition there is the UK's INMOS microelectronics company started by the National Enterprise Board, which is now being reviewed by the Government to decide whether it should continue to be developed with the help of public money.

The Scottish Development Agency hopes to reach agreement on the projected new development within the next few months.

This follows two tours of the

U.S. conducted by the agency during the past few months to try to attract investment in Scotland.

Speaking in London yesterday on his return from the U.S., Sir William Gray, the agency's chairman, said that he had received inquiries from 50 companies while he was in New York, Boston, Cleveland, Chicago and Philadelphia. Firm arrangements had been made for 10 to visit Scotland to discuss possible projects.

An earlier tour in the spring had led to 80 inquiries and 30 visits.

Interest

The main industries involved in addition to electronics were automotive engineering, food processing and chemicals.

Sir William also said that

he thought there was increased interest among U.S. companies about investing abroad, especially in Europe, as a result of the recession in the U.S. "We had much greater interest from investment advisers on the recent trip," said Sir William.

There are 180 U.S.-owned manufacturing companies in Scotland and a management consultants' report published earlier this month said that 80 per cent had expansion plans.

The survey painted a favourable picture of the companies' industrial relations records and said that quality of products was often above international standards of multinational corporations. The report was prepared for the agency by PA International Management Consultants.

Electricity Council to repay Euroloan

By Peter Riddell, Economics Correspondent

THE ELECTRICITY COUNCIL is to repay an \$800m Eurodollar loan before the due maturity date as part of the Government's policy of substantially reducing total outstanding foreign currency debts.

This will boost total repayments of overseas debt this year to over \$5bn with only about \$2bn of new borrowings overseas by various public sector bodies, notably from various EEC institutions.

The Electricity Council prepayment is by far the largest announced by the present Government.

The policy of early repayment of overseas loans was started two years ago by the previous administration in order to reduce the amount of debt maturing in the peak maturity years of the early 1980s. This has been done via both prepayment and by raising new loans with maturity dates in the later 1980s.

The result is that the amount due in the peak year of 1981 has been reduced from \$5.2bn to \$2.9bn. But there has only been a small reduction in total debt outstanding including later maturities as a result of new borrowing.

The Conservative policy is to cut the total debt outstanding, which is at present nearly \$22bn. Consequently, new borrowing will be on a much smaller scale apart from regular fund raising by nationalised industries and public corporations from the European Investment Bank and the European Coal and Steel Community. This was underlined earlier this week when the Treasury reduced the attractions of the public sector exchange cover scheme.

The \$100m floating rate note for British Airways, which has just been arranged by Orion Bank via a private placement, is regarded as fairly routine commercial transaction and does not signal any new wave of borrowing.

There are limits on the scope for prepayment since repayments before the due dates are not permitted under some loan agreements, or only at the cost of large penalties.

The Electricity Council is repayable without penalty. The early repayments will take place between November and next March.

The council said yesterday the early repayment had taken place at the request of the Treasury. The loan is expensive compared with current borrowing costs.

The loan originally totalled \$1bn and about \$200m has already been repaid on the due dates. The remainder would anyway have matured between now and 1983.

It was raised in 1973 from a group of banks and carries a spread of 1 per cent above London Interbank Offer Rate, rising to 1½ per cent above Libor early next year.

Transfer may cost 1,000 jobs

By Ray Ferman, Scottish

MANAGEMENT AND trade unions at Massey Ferguson's Kilmarnock plant are trying to find new work to replace combine harvester production likely to be phased out soon with the loss of at least 1,000 jobs.

The company is now completing a re-examination of its decision to move the manufacture of combines from Britain to its plant at Marquette, France, as part of a worldwide rationalisation, and will give shop stewards and union officials the results on November 9.

At full capacity Kilmarnock was building 90 combines a week, but with falling demand output has dropped to between 26 and 27.

If the transfer decision is confirmed, Kilmarnock will lose at least 1,000 jobs. Massey proposes retaining a further 500 workers to man a harvester assembly line to be moved from France to Scotland, but the softening of the harvester market since the plan was announced last year means this proposal is also under review.

Shipyard wins £25m order for two bulk carriers

By ELAINE WILLIAMS

SUNDERLAND Shipbuilders, part of British Shipbuilders, has won a £25m order to build two Panamax bulk carriers for Buries Marles, a British shipping company.

It is the second large order won by British Shipbuilders within 24 hours. On Tuesday, it announced a £45m deal with British Petroleum to supply two 109,000-tonne oil tankers—the first tankers ordered by BP since 1973.

Buries Marles ordered two 66,500 deadweight tonne bulk

carriers—one for delivery in the second half of 1981 and the other in early 1982.

Sunderland Shipbuilders have now taken orders for a total of five bulk carriers in the last two months.

They have been subsidised by the Government's intervention fund which has just been allocated £120m for the next two years with agreement from the European Economic Community. Up to 25 per cent of a ship's contract price is subsidised in

Average pay for men tops £5000

By Philip Bassett, Labour Staff

Male average yearly earnings in Britain this year topped the £5,000 mark for the first time, according to New Earnings Survey figures, published yesterday by the Department of Employment.

Male average earnings were £299 a week, an increase of £11.80 or 13.5 per cent on last year's April figure. Male manual workers' pay increased 11.9 per cent to £91 and non-manual earnings 11.6 per cent to £1,40.

Female average earnings rose 11.8 per cent to £6,70, to £63 a week. Female manual workers' pay increased 11.9 per cent to £55.20 and non-manual workers' 11.7 per cent to £66.

The average gross weekly earnings of all full-time adult workers was £884.40, a 13.2 per cent or £10.30 increase.

Earnings between April and August this year, the latest figures covered by the Department, are thought to have risen more than 6 per cent to take the current overall average to more than £93 a week.

Overtime payments contributed about 15 per cent of manual workers' average gross weekly earnings. Nearly 60 per cent of male manual workers received overtime payments compared with 20 per cent of non-manual male workers, 18 per cent of female manual workers and 10 per cent of female non-manual workers.

More than 45 men were estimated to have earned £100 a week or more, and about 260,000 in have earned £200 a week or more. Excluding overtime pay, about 1,300 men earned less than £60 per week.

Miners again led the earnings league, with coalmining deputies' average weekly earnings at £144.80 and face-workers £126.70, followed by dockers on £125.60.

For non-manual occupations, medical practitioners led the table with earnings of £175.50 a week, followed by top managers in trading organisations on £171.50 and finance and tax specialists on £162.72.

Public sector percentage pay increases in gross weekly earnings averaged 14.5 per cent, with private sector increases at 15.5 per cent.

Regional differences were significant. The average gross weekly earnings in England were £92.90, in Scotland £93.60 and in Wales £94.10 for manual workers. For non-manual workers the corresponding figures were: £113.40 in England (excluding Greater London) at £108.60; £112 in Scotland and £104.60 in Wales.

Maharishi buys estate papers

THE MAHARISHI, who acquired Swithland Park in Macclesfield two years ago for £226,000 and turned it into the Maharishi International College, yesterday paid £2,300 for its estate papers. Among the maps and plans is a diagram of the central heating system

UK 'has world lead in electric transport'

By DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN ENJOYED a world lead in technologies at the heart of any expansion in the use of electricity in transport, a British professor told the Institution of Electrical Engineers in London last night.

Examples were British developments in battery-powered delivery vehicles and British Rail's advance passenger train, said Prof. Michael Bird, professor of electrical engineering at Bristol University.

But Prof. Bird isolated the basic problem of the electric car, in his presidential address to the power division of the institution. If it took one minute to fill a 10-gallon tank with petrol, and each gallon was assumed to contain 45 kilowatt-hours of energy, then the total energy transfer during that minute was 450 kWh, he said.

This was equivalent to a rate of transfer of energy of 27 MW or, put another way, a petrol station with 20 pumps was the

Health 'crisis' warning

By PAUL TAYLOR

A SENIOR health service administrator yesterday gave a warning that the National Health Service could face a financial crisis next year because of Government spending cuts this year.

Mr. Basil Bush, president of the Institute of Health Administrators and treasurer for the East Anglia Regional Health Authority, said that most authorities would find it difficult to make the £100m cuts required by the Government.

But the real problems would come next year, especially if the Government sets cash limits designed to hold down pay awards in the public sector

rather than tax limits actually designed to meet the cost of pay and price inflation.

He said that even in the current financial year, the spending cuts facing health authorities were likely to be £130m or £160m instead of the £100m cut requested by Government because of the effects of pay settlements.

Mr. Bush rejected suggestions that large savings could be made by trimming the NHS administrative bureaucracy. Instead he hoped the Government's planned reorganisation of the Health Service would lead to a simpler structure led by stronger management

of the house which is needed so that repairs can be carried out.

The papers were part of a Christie's sale which totalled £44,728. Sixteen letters from Sir Edward Gurney Burne-Jones to his school friend Cornell Price were bought for £2,700 while Quaritch paid £2,600 for 22 letters written by Sir Winston Churchill to Lord Mowbray.

In other sales at Christie's, a pair of 18th century Tuscan Emiliani snaphaunce pistols made £6,500 while a pair of George III silver ice pails by Benjamin Laver went to Partidge Fine Art for £3,000.

At Sotheby's coin auction, a gold coin of John III of Portugal, of the mid-16th century, sold for £6,000. A gold medal struck in 1553 for the marriage of the Duke and Duchess of Brabant made £2,700 in Leobach. In a minor auction of Impressionists "Nature morte" by J. Alberto Adler realised £1,900 and "La belle Jardine" by J. Albert Grand-Carteret, £850.

Sotheby's also sold wine, with 1966 vintage clarets fetching high prices. A dozen bottles of Margaux made an auction record of £1,000 per bottle and of £320. A dozen bottles of Petrus 1966 sold for £520. In the photographic auction at Sotheby's Belgrave, an album of 29 calotypes made £2,600 and a print of the body of Admiral Bruat arriving at Toulon in 1855, £1,500.

Asbestos: Report of the Advisory Committee Volumes 1 and 2: HMSO £5.

Hurry to finish report on engineering profession

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

MEMBERS of the Finniston Committee met all day yesterday at a London hotel trying to agree the final draft of its report into the engineering profession.

Bob Sir Monty Finniston, the chairman of the committee, and Sir Keith Joseph, the Industry Secretary, are anxious that the report should be completed as soon as possible. If it could be delivered to Sir Keith by the beginning of November, it could possibly be published before Christmas.

The Government is keen to launch a national debate on the importance of industry and the role that engineering must play. Although the committee was appointed more than two years ago by the Labour Government, the publication of its report will give the present Government the opportunity to involve the public in a subject which has previously been regarded as of somewhat specialist interest.

It is expected that Sir Keith

will make a statement at the time of publication, but that a more detailed response will be issued after consultation with interested parties on the recommendations.

The present draft of the report makes it clear that there must be a fundamental change in public attitudes towards engineering if manufacturing industry is not to continue its decline in Britain. It recommends that an authority, which would be accountable to Parliament, should be set up in order to ensure that the main recommendations of the committee on the registration of engineers and the improvement in the standards of engineering education are, in fact, carried out. Sir Monty has been anxious to see that his report does not end up gathering dust on a shelf, as have so many previous inquiries.

On these matters the committee is understood to be in agreement. But on the details of the implementation of the

Steel plant 'will face closure unless BL future is secured'

BY ROY HODSON

A WARNING was given yesterday by Mr. Hector Smith, general secretary of the National Union of Blastfurnacemen, that one of the British Steel Corporation's five big integrated plants may have to close unless the future of British Leyland is secured.

British Steel sells more than 600,000 tonnes of steel a year to the car industry. Over half of which goes to British Leyland. The strip mills at Port Talbot and Llanwern, South Wales, and Ravenscraig, Scotland, are highly dependent upon the plant.

Mr. Smith, writing in the British Steel paper Steel News,

has made a plea to British Leyland men to vote this week for the plan of Mr. Michael Edwards, chairman, to slim and restructure the company.

"My plea to Leyland men is this," Mr. Smith writes. "Back the plan and get Leyland competitive again. If you don't you will be committing suicide and the death of Leyland will be a devastating blow to major suppliers like British Steel."

It is not easy to accept rationalisation and reduced manpower. In fact it is bloody painful as we in the steel industry know only too well. We've shed tens of thousands of jobs in the last few years.

Mr. Smith said unions were gradually seeing the truth that

there was no point in fighting for every job if the end result was no work for anyone.

The five integrated British Steel works are: Ravenscraig, Scotland; Teesside; Scunthorpe; Port Talbot, South Wales; and Llanwern, South Wales.

The Llanwern workers last month set a productivity record for the plant after management warnings. Ravenscraig is currently being hit by a dispute between steel workers and dockers about who should man the new Clyde ore terminal at Hunterston. The plant is not getting the cheap ore supplies that were planned to supply its iron and steelmaking equipment, installed at a cost of £200m.

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Group's 'bonuses for sites' offer

BY ARNOLD KRANSDOFFER

A BIG do-it-yourself supermarket group is offering its 2,700 shareholders a £500 bonus for information about suitable new sites.

B and Q (Retail), which came to the market only four months ago, announced yesterday

PARLIAMENT AND POLITICS

Government insists on local authority staff cuts

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT is determined to cut the number of people employed by local authorities and will refuse to underwrite inflationary wage claims from council workers. Mr. Michael Heseltine, the Environment Secretary, told the Commons last night.

Public administration in this country is overweight, and like every other overweight organisation, can, with a little effort, afford to lose a few pounds," he declared.

He was replying to Mr. Roy Hattersley, Labour's shadow Environment Secretary, who pressed a Labour motion seeking to censure the Government for its "savage cuts" in public expenditure available for the sick, the aged, and the disabled, the young, the homeless, and the badly-housed.

The motion alleged that the Government was leading an assault on the "caring society" and was failing to assist local authorities to deal with inflation and to meet their obligations under pay awards.

Mr. Heseltine forecast that the inevitable result of the Government's policies would be a massive increase in local authority rates next April.

This would not be the consequence of actions by spendthrift local councils as the Government was trying to pretend. It would flow directly from the policies of Mr. Heseltine, he said.

But, in an attacking speech which won him resounding cheers from the Tory benches, Mr. Heseltine called on MPs to reject the "hypocritical motion" and emphasised that the Labour Government had

made repeated cuts in the funds available to local authorities.

He criticised Mr. Hattersley for putting himself at the head of Labour's campaign against local spending cuts and accused him of positively encouraging strike action by council workers.

According to Mr. Heseltine, authorities would be able to cope with the Government's proposals, as they would be announced in good time to a phased manner.

The Secretary of State made a strong attack on over-manning in local government, and said that it was not true, as Labour was saying, that job protection was at stake.

"What it is actually about is too many people in the wrong jobs at too low a level of pay, providing a service less good than it should be, at the expense of the least privileged section of the community," he claimed.

That was the situation which Mr. Hattersley was seeking to protect.

Mr. Heseltine had a warning for those local councils who were planning levels of spending without regard to the country's economic circumstances.

These were the authorities that chose to listen to the Labour Party and not to the Government.

"I have made it clear that the Government cannot stand back and permit such authorities to pre-empt for themselves a larger proportion of the limited cash available," he declared.

To do so would be totally unfair to those authorities who

were trying to keep their spending within the limits set by the Government.

It would also be an incitement to an ever-widening number of authorities to practise what amounted to the law of the jungle.

Mr. Heseltine said that he would shortly be announcing how he intended to prevent this breakdown in the orderly relationship between central and local government. Such a break-



Mr. Roy Hattersley (left) and Mr. Michael Heseltine.

down was being threatened as a result of action by a handful of politically motivated authorities vying with each other for the martyr's crown."

He pointed out that staff costs accounted for about 70 per cent of local authority current expenditure, and about 125,000 people left or retired every year from local government.

This meant that, even if he

had sought to double Labour's reduction in local government

expenditure, he would only be asking that for every four people who left local government of their own free will, three would be recruited in their place.

Local authority staff numbers were now at their highest level ever. In June 1978, there were almost 35,000 more full-time equivalent staff than in June 1978.

"These figures have got to start coming down."

Mr. Heseltine said that a consultation paper was published

yesterday on Government proposals to enable ratepayers to compare the efficiency of their local authorities.

Local authorities had to improve their standards of performance and efficiency. To achieve this, he would ask Parliament to approve a scheme requiring them to publish basic information about their services. This should be done in a standard form to enable ratepayers to make the comparison.

There also had to be a clearer division of responsibility between central and local government and he would be bringing forward a number of proposals to clarify the situation.

He would issue a consultative document on a new system of capital control. It was intended, within clear ceilings, to give local authorities much more control over project management.

Former Prices Secretary Roy Hattersley charged the Government with depriving "the sick, the disabled, the young, the homeless, the badly housed and others dependent upon support of the community."

He told MPs: "We wish to show our contempt for a government which gives greater priority to tax cuts for people on the top of the income scale than to school meals and old people's incomes."

The Opposition attacked the Government's "assault on the caring society," as well as what Labour MPs saw as "failure to help local authorities deal with inflation."

They put out a cuts to rate support front, which, the Opposition claimed, would bring rate increases and reduced services.

"These cuts are real and these cuts will hurt," said Mr. Hattersley.

Even those Tories who were honest were prepared to admit it, he claimed. Demanding how it was that the country could afford more for defence, but less for hospitals, he said: "If we cannot afford any more for the state education system, how is it we can afford \$70m to subsidise private places in public schools?"

Mr. Hattersley also demanded to know what would happen in the local authorities who refused to implement Mr. Heseltine's cuts.

Some authorities had said they would not be making the cuts. Oxfordshire had said it had "no intention" of making a 1 per cent cut this year, and Kirklees, which was also Tory controlled, had said it would ignore it.

Mr. Hattersley wanted to know whether the Government was going to abandon the law which covered local authority autonomy.

"Are you going to push through a law so that councils become your creatures—the tools of Government?" he asked.

Mr. Heseltine had to remember, he said, that local authorities were elected and most of them not in the "fraudulent prospectus" which had brought the Tories into power.

Mr. Hattersley attacked the Tory-controlled authorities who could not wait to make the cuts and thus draw up plans for the end of free transport and school meals.

Carrington outlines speedy timetable for Rhodesia

BY IVOR OWEN

BRITAIN'S determination to keep the interim period between the restoration of Rhodesia to legality and the holding of fresh elections as soon as possible was emphasised yesterday by Lord Carrington, the Foreign Secretary.

"I am quite sure that the interim arrangements have got to be simple and the time has got to be short," he told the House of Lords when outlining the progress so far made at the Lancaster House constitutional conference.

In similar vein, Sir Ian Gilmour, Lord Privy Seal and chief Foreign Office spokesman in the Commons, made it clear to MPs that the time scale which the Government had so long virtually ruled out the compilation of a full register of electors.

Mr. Peter Shore, Labour's Shadow Foreign Secretary, suggested that a four-to-six months interim period would be more realistic than the two months reported to be favoured by the Government.

He warned Ministers against going for the so-called "second best solution" based on an agreement with the Muzorewa Government alone.

If the Patriotic Front were excluded, there would be no solution at all, but "a failure of the most dangerous kind for Britain, Zimbabwe and indeed for Southern Africa as a whole."

Right-wing Tory MPs again pressed for the early lifting of sanctions and argued against the acceptance of any interim arrangements which involved the Muzorewa Government having to stand down before fresh elections could take place.

Both Lord Carrington and Sir Ian Gilmour refused to be

drawn into detailed comment on issues which were still a matter for negotiation at Lancaster House and stressed the importance of securing an agreement which ended the fighting in Rhodesia.

Sir Ian was subjected to particularly close questioning over the Government's proposal that Rhodesia should have a British Governor, with executive and legislative authority, during the interim period.

Under the Governor, an election commission would have

"It really is not any good to try to ignore the Patriotic Front. The fact is that they are there."

He was asked to witness them.

One of the most outspoken critics on the Government back-benches was Mr. Ian Lloyd (C, Havant and Waterloo) who maintained that however worthy the objective of the Lancaster House negotiations, they could succeed only by diminishing or subverting the authority of the elected government of Bishop Muzorewa.

"If the price to be paid for success is an accommodation with a group better described as criminal rather than patriotic, how in future will any elected democratic government claim its legitimacy if one terrorist group finds its position irreconcilable?"

Sir Ian replied that the whole point of the Lancaster House conference was to end the "extremely bloody war" going on in Rhodesia.

He told Mr. Lloyd: "It really

is not any good to try to ignore the Patriotic Front—and you or anyone else can call them what you like. The fact is that they are there."

Mr. Maurice Macmillan (Con, Farnham) suggested that the Muzorewa Government and the conferment of full executive as well as legislative power on a British governor would encourage the people of Rhodesia to believe that the British Government was backing the Patriotic Front to the exclusion of the interim government.

Mr. Nicholas Winterbottom (C, Macclesfield) who maintained that it was "quite intolerable" to expect Bishop Muzorewa, the head of a duly elected Government, to return to his country without status or power.

Sir Ian insisted that throughout the Lancaster House conference the Government had fully recognised the position of Bishop Muzorewa and the success he had achieved in the elections held in Rhodesia earlier in the year.

In an exchange with Mr. George Gardiner (C, Reigate), Sir Ian confirmed that it would still be possible for the Government to continue to operate sanctions against Rhodesia even if Parliament did not approve an Order six months extending the operation of Section 3 of the Southern Rhodesia Act

Teachers' union opposes cuts

BRITAIN'S third largest teacher union yesterday adopted a tough new policy towards Government cuts in education.

In an emergency debate at its annual conference in Bath, the traditionally moderate Assistant Masters and Mistresses Association voted overwhelmingly to support any of its members who refused to undertake "unreasonable" extra work or duties arising out of education cuts.

Tory MP to resign



MR. GOEFFREY Dodsworth, 51 (above), Tory MP for Herts SW, is to resign for medical reasons. Conservative Central Office said yesterday. He will apply for the Chiltern Hundreds almost immediately.

At the last election, his majority was 16,328. Mr. Dodsworth, a mercantile banker, was elected to Parliament in 1974.

He told Mr. Lloyd: "It really



Mr. Anthony Wedgwood-Benn (left), Mr. James Callaghan (centre), Mr. Eric Heffer and Mr. Dennis Skinner (right) leaving Transport House after the Labour Party NEC meeting yesterday.

Tory policies 'will result in a swing back to nationalists'

BY ROBIN REEVES, WELSH CORRESPONDENT

THE GOVERNMENT's policies in Wales will produce a swing back to the Nationalists, Mr. Dafydd Wigley (Plaid Cymru, Caernarvon), predicted last night.

Addressing a rally in Llandudno on the eve of the party's annual conference, Mr. Wigley said Wales was already paying a heavy price for Labour's half-heartedness in setting up a devolved Welsh Assembly and giving less support to Plaid Cymru candidates in the May general election.

"We have seen the speeding up of steel plant closures, the designation of areas of Wales for dumping nuclear waste, the running down of investment incentives in large areas facing unemployment, the axing of the Council for Wales—the only permanent forum of opinion on all Wales level—the use of Education Act directives to discourage teaching of the

Welsh language, and a cynical betrayal of the promise of the fourth television channel for Welsh language programmes," Mr. Wigley said.

"The Labour party have shown they have neither the resilience to fight the Government's policies in Wales—many of these Tory policies were one's on Labour's own agenda which they were forced to hold back in the last Parliament because of the threat of Nationalist advance."

Mr. Wigley said if Wales had its own parliament now "it would certainly not be Tory-controlled and Mrs. Thatcher and her marauding bands would not be able to ride rough shod over Welsh interests. Self-government is the only permanent guarantee for Wales to be free from cyclical Tory assaults."

Much of the three-day conference seems likely to be

devoted to restoring the morale of the party faithful.

The massive devolution "No" in March and Plaid's poor showing in the May general election have inevitably knocked the wind out of the movement's sails.

In the general election, Plaid's share of the vote fell from 10.8 per cent in 1974 to only 5 per cent.

At the same time, the conference could produce fierce clashes between the Left and Right wings of Plaid over its future direction. There are demands from parts of industrial Wales for the party to adopt a more militant Marxist stance.

An emergency motion has been tabled by Mr. Wigley's Caernarvon constituency rejecting attempts to adopt any particular ideology and calling for the party to maintain a broad-based political spectrum.

He had told MPs during question time that more than 29 local authorities in Scotland had provided the right for tenants to buy their own homes. Only nine had refused to do so. That showed that councils and tenants supported the Government's principles and rejected the "Neanderthal views of the Opposition."

Reports that coal stocks in Scotland were down to two days' supply were dismissed by the Government. George Younger, Scottish Secretary, told Mr. Russell Johnston (L., Inverness): "While the stocks position could be better there is no truth in these rumours. We expect to be able to get through this winter in normal conditions reasonably satisfactorily."

Mr. Younger defended the Government's readiness to import coal from abroad if necessary to make sure there was enough fuel to keep people in Scotland warm.

Mr. Younger has ordered an investigation into the "dumping" of herring. He had been asked by Mr. George Foulkes (Lab., Shropshire S.) for an inquiry into "scandalous" dumping because of the operation of the Common Market quota system.

Mr. Younger told him: "I would deplore the irresponsible dumping of fish which are not caught legally."

He also assured MPs that at next month's Dublin EEC summit the Government would stick to negotiating an agreement as a whole "which is acceptable to our fishing industry." He stressed: "We shall be looking at this purely in the context of our own fishing industry."

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No decision

NO FINAL decision has been taken on the proposal to abolish the Registry of Business Names and to reduce some functions of the Companies Registration Office, say Mr. Reginald Ayre, Under-Secretary for Trade.

These statistics showed that the incidence of death after childbirth was slightly higher than from abortion, he said.

They hit out at the cuts in health and welfare services which, it was claimed, would increase the number of families

UK NEWS—LABOUR

Loss of 500 staff agreed at Bank

BY NICK GARNETT, LABOUR STAFF

THE BANK of England expects to shed most of the 500 jobs to be lost as result of the removal of exchange controls through a system of voluntary redundancy by March next year.

The Bank of England Staff Organisation, which claims to represent about three-quarters of exchange control staff, has accepted redundancy proposals which are based on ex-gratia payments of a year's pensionable salary and index-linked pensions.

For some staff, lump sum payments could be £10,000 or more. The pensions, based on length of service, will be deferred until the age of 60 for those who are under 40.

The Bank has 750 posts in exchange control, all of which are being scrapped. But it is 200 below establishment throughout the non-computer side of banking, so the result will be the loss of slightly more than 500 jobs.

The voluntary redundancy scheme is not restricted to the exchange control department. It is to be operated throughout the banking side.

Although the bank and the staff association believe it will be possible to achieve the required number of redundancies, the bank believes there may be particular difficulties for its exchange control staff in Manchester and Glasgow.

British-U.S. union links 'to be stronger'

BY CHRISTIAN TYLER, LABOUR EDITOR

STRONGER links between British and U.S. trade unions in economic and employment policy were predicted yesterday after a visit of the TUC economic committee to the U.S.

Mr. David Basnett, chairman of the committee, said after his return from Washington that the TUC and the American Federation of Labour-Congress, for Industrial Organisations (AFL-CIO) faced similar problems because of the recession, despite the very different economic backgrounds of the two countries.

The British visitors gave the AFL-CIO cautionary advice about the "national accord" which the American unions have entered with the President, drawing on TUC experience of the social contract in Britain. The main purpose of the visit was to gather information about the microelectronic

revolution. Mr. Basnett said the economic committee had been struck by the extent to which the development of the chip had depended, and still depends, on government intervention.

This was seen by the TUC team as evidence of the need for Britain to maintain its own government support through the National Enterprise Board.

TUC leaders will be putting some of their conclusions to a meeting of the National Economic Development Council on November 7. A full report will be made by the TUC later.

The TUC team was sponsored by the Government's Microtechnology Awareness Programme. It included Mr. Frank Chapple, Mr. Ken Gill, Mr. Joe Cormley, Mr. Clive Jenkins, Mr. Bill Sirs, and Mr. David Lea, an assistant general secretary of the TUC.

Birds Eye strike ends

AN UNOFFICIAL 12-day strike at the Birds Eye frozen food factory at Kirkby, North Merseyside, ended yesterday.

Work partly resumed within two hours of a mass meeting voting overwhelmingly to accept a shop stewards' recommendation to go back.

The stoppage was over manning levels in the cooked food department. A shop steward had agreed to revise the manning levels.

The Times

IN OUR story on Tuesday morning concerning reaction among Fleet Street newspaper executives to the Times Newspapers settlement, the statement: "It's pretty dreadful and it will be a bloody menace," was wrongly attributed by the Press Association to Mr. Alwyn Robinson, managing director of the Daily Mail. We regret any embarrassment the error caused Mr. Robinson.

APPOINTMENTS

Royal Worcester Board post

Dr. J. A. Pope, retiring vice-chancellor of Aston University in Birmingham, has been appointed a director of ROYAL WORCESTER. *

Mr. P. G. Wreford, chairman of Gresham Trust, has been appointed to the Board of LONDON ATLANTIC INVESTMENT TRUST. *

Mr. John H. C. Whicker, president and chief executive officer of Barclays Bank of New York, has been appointed a regional general manager, Africa of BARCLAYS BANK INTERNATIONAL. *

Mr. Stanley Dempsey, vice-president of AMAX INC., has been appointed deputy director of Amax's office of communications and public affairs, reporting to Mr. Arthur Rees, senior vice-president, from November 1. Mr. Dempsey will continue as corporate director of environmental affairs. Mr. David W. Delcourt has been elected director of external affairs for Climax Molybdenum Company to replace Mr. Dempsey. Mr. Delcourt was previously director of governmental affairs for Climax. *

Mr. John H. Page has been elected president of INCO'S FORMED METAL PRODUCTS GROUP, from January 1. He will succeed Mr. Harold F. Hendershot, who will continue as an advisor to the group until his retirement next spring. Mr. Page will remain president of Inco U.S., the company's principal U.S. subsidiary. He will be replaced as president of Inco Inc. *

Mr. Edward R. Burrell, executive vice-president, Inc Inc. *

Mr. P. Ferdinand has been appointed a director of KUEHNLE AND NAGEL UK responsible for project sales and development. *

The Environment Secretary has appointed Mr. D. A. Higgs a member of the Board of REDDITCH DEVELOPMENT CORPORATION. *

The Agriculture Minister has appointed Sir John Colfox to succeed the Lord Collson of Cheshunt as chairman of the LAND SETTLEMENT ASSOCIATION when he retires at the end of the year. *

BRITISH RAILWAYS BOARD has appointed Mr. K. J. Davies as director, major projects (London and South-East). *

Mr. Colin Hislop has joined BERNDTSON INTERNATIONAL as a partner. *

Mr. George D. Lillington has been elected president of the COUNTRY LANDOWNERS ASSOCIATION and Lord Middleton has become deputy president. *

Mr. R. D. Jerrett has been appointed contracts director of HEWGATE, Aylesbury. *

Mr. Douglas M. Jones has been appointed deputy managing director of MOLLART ENGINEERING. He continues as sales director. *

Mr. Richard Knight, deputy general manager, International

business, National Westminster Bank, has been appointed to the Board of its subsidiary, NATIONAL BANK OF NORTH AMERICA. *

Mr. J. M. A. Akers has been appointed manufacturing director of TI CHESWICK SILENCERS. He is responsible for all aspects of production relating to car and commercial vehicle silencers and catalytic converters produced at the company's four plants in the UK and the Roermond plant in Holland. *

Mr. George Williamson has been appointed to the Board of FAIREY HOLDINGS as financial director. He was previously managing director of Fairay Engineering, the Stockport-based military and nuclear products member of the Fairay Group. *

Mr. S. Hutton has been elected managing director of GEKA-BRUSH (G.B.) with full Board responsibilities. *

Mr. George A. Nersesian has been appointed vice president of international business ventures for AMOCO CHEMICALS CORPORATION, a subsidiary of Standard Oil Company (Indiana). *

Mr. David F. Hope has been appointed business manager Europe for CARBORUNDUM ENGINE COMPONENTS DIVISION. He has assumed responsibility for Carborundum Camshafts—UK, Carborundum Precision Components UK and Weyburn-Bartel GmbH—West Germany—and will report to the general manager, Carborundum Engine Components Division. *

Mr. J. C. Adams, Mr. W. M. Cox, Mr. Y. Dolding, Mr. R. M. Leiman and Mr. M. W. Thomas have been appointed to the senior management of VICKERS DA COSTA, stockbrokers. Mr. A. C. Doulton has joined the company's UK institutional department. *

Mr. David H. Goodchild has joined the Board of TELEPHONE RENTALS. He is senior partner in the Paris office of Clifford-Turner. *

Heworth Ceramic Holdings has appointed Mr. E. J. Haworth to the Board of HEPWORTH PLASTICS, a divisional holding company. *

Mr. Bert Morton has been appointed assistant managing director of BOWMAKER (PLANT). *

Mr. Brian M. Pegram has been appointed assistant vice-president and manager, foreign exchange of the London branch of RADNIER NATIONAL BANK. He replaces Mr. Peter Tolifree who has returned to the Royal Bank of Canada, London. *

Mr. Brian Thompson has been appointed to the newly-created post of sales director, HILTI (G.T. BRITAIN). *

Mr. James Fitzpatrick, managing director and chief executive of the Mersey Docks and Harbour Company, has been elected chairman of the NATIONAL ASSOCIATION OF PORT EMPLOYEES succeeding Mr. James Davidson. Mr. Bob Harris, manager (personnel) of the Port of Manchester, has become a vice-chairman of the NAPE.

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Rules for VDUs urged

BY GARETH GRIFFITHS.

THE BANK has 750 posts in exchange control, all of which are being scrapped. But it is 200 below establishment throughout the non-computer side of banking, so the result will be the loss of slightly more than 500 jobs.

The voluntary redundancy scheme is not restricted to the exchange control department. It is to be operated throughout the banking side.

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BL denies union claim of major errors in balloting

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL last night denied a union claim that serious errors had been made in administration of the ballot now in progress on the future of the company.

A margin of error of about 25 per cent was indicated in a survey conducted by the Technical Administrative and Supervisory Section (TASS) of the Amalgamated Union of Engineering Workers.

The union has published a guide to health hazards that vision display unit operators can face. ASTMS wants new technological agreements to include guidelines on health and safety. It says long-term damage is being done to the eyesight of VDU operators.

The guide suggests the maximum work for an operator should be no more than four hours a day with maximum continuous stretch of two hours followed by a half-hour break. It also proposes breaking the time into shorter work periods and shorter breaks.

The union is particularly concerned with the health hazards to eyesight.

The document says it would be unacceptable for unions to collude in restricting entry to a job for workers with eye problems or who are over the age of 45.

Studies have suggested these two categories should be excluded from working on VDUs. Instead the union wants the working environment improved.

A new technology agreement covering VDUs, word processors and desk top entry devices has already been signed by the Association of Professional Executive, Clerical and Computer Staff and NEI Parsons in June.

The deal covering 600 clerical workers allows VDU operators to take a 20-minute break after every hour's work. Both sides viewed the agreement as a breakthrough.

The postal ballot into whether workers support the company's plan for plant closures and more than 25,000 redundancies being supervised by the Electoral Reform Society. But BL was responsible for sending the papers to employees' homes.

BL said last night: "In any ballot there are bound to be errors, but we believe they are very small. Bear in mind we had only 36 hours from the time the ballot decision was taken to get the papers out."

Moving

The company has 151,300 workers in the UK and 152,000 papers had been franked and sent out by the post office at Oxford. Written proof of that number had been deposited with the electoral reform society.

Names and addresses of employees were presented by personnel managers at each site and checked against the payroll. Anomalous were caused by people moving home without notifying the company, or transferring from one site to another.

Employees based at one plant but perhaps temporarily working at another could be accidently given ballot papers from both locations.

BL said the errors affected at most a few hundred people. Even if it were as high as 1,500 that would represent only one per cent of the workers and would not influence the result.

Sir Michael Edwards, the BL chairman, was looking for "substantial support" for his plan. Voting closes at midday next Tuesday and the result is then expected within 48 hours.

Cooks walk out at hospital

CATERING STAFF at a mental hospital walked out yesterday after refusing to work alongside a colleague who had been fined for stealing food from the hospital kitchen.

The action came after Mr. George Lane, 40, was reinstated at St. Ebbs Hospital, Epsom, Surrey, although he was demoted from head cook to ordinary cook.

Mr. Lane was sacked after pleading guilty at Epsom Magistrates' court in August to two charges of stealing food from the kitchen. He was fined £200.

But he was reinstated on appeal to the Meritton, Sutton and Wandsworth Area Health Authority.

Today's walk-out by three cooks disrupted breakfast for 620 mentally handicapped adult patients. The cooks are members of the Transport and General Workers' Union, but Mr. Norman Gardner, hospital administrator, said lunch and other meals would be served by non-united staff.

Mr. Gardner said the walkout was due to concern that if any more food disappeared, all the cooks would come under suspicion.

NALGO meets universities

TALKS WILL be held today between the committee of University Vice-Chancellors and the National and Local Government Officers' Association (NALGO) aimed at ending the month-long union dispute at 41 universities.

The union represents 20,000 clerical and administrative staff. It has warned it will step up its campaign of lightning strikes unless the committee improves its offer of 9 per cent and a reference to the Clegg Commission's proposals on comparability.

NALGO wants a deal worth 24 per cent.

Ending good neighbour campaign angers TUC

BY OUR LABOUR EDITOR

A GOVERNMENT decision to stop funding the good neighbour campaign at the end of the year was described by Mr. Len Murray, TUC general secretary, yesterday as "really disgraceful".

He said the campaign had cost "only coppers" but had seen a lot of good voluntary work done by postmen and gas and electricity meter readers to keep an eye on people in need.

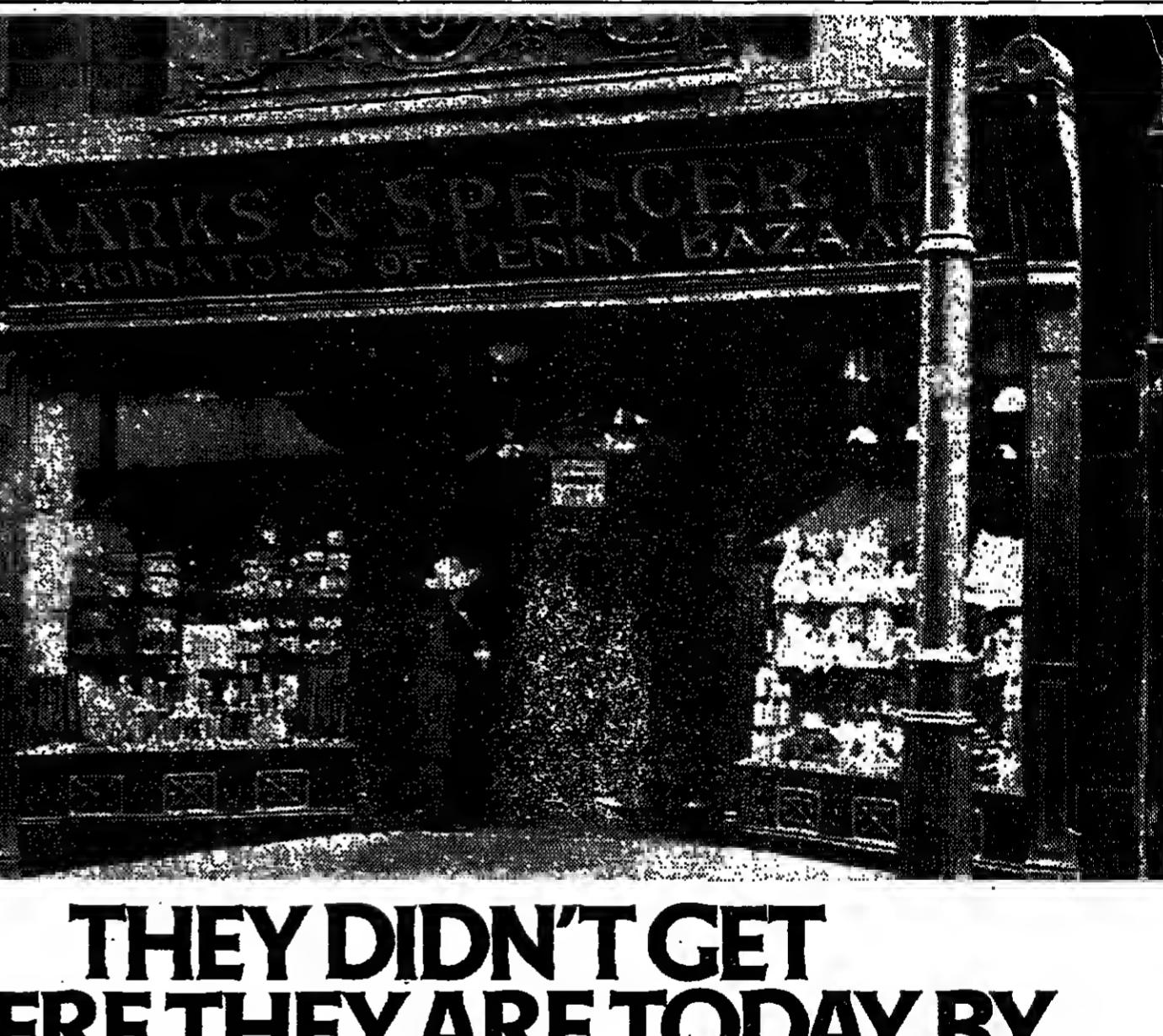
The Government has been supporting a central advisory group whose job is to encourage workers to report accidents, illnesses and other emergencies

in houses that they visit.

Yesterday the TUC decided to write to the Social Services Secretary to protest that cuts in health and social services made it even more important for voluntary help, especially for the old.

On public spending generally, the TUC reported that its request for more involvement in the public expenditure survey committee had been flatly rejected by Sir Geoffrey Howe,

the Chancellor. The TUC economic committee would now take its case for public spending "to the public at large."



THEY DIDN'T GET WHERE THEY ARE TODAY BY IGNORING THEIR ENERGY BILL.

In the twelve months ending December 1978, the 252 Marks & Spencer stores rang up energy savings worth £2½ million—or two per cent of the company's pre-tax profits.

During the five years from 1974–1978 the company's total energy savings amounted to £8.2 million—all for a capital investment of £1½ million.

Marks & Spencer's economies resulted from their far reaching study of lighting, new technology like solar heating, and the recovery of waste heat from refrigeration plant. Could you benefit from their example?

Most small to medium-sized firms could save an average of 10–15% of the cost of heating, power and lighting.

How to make these savings? You should start by sending off the coupon for details of our Energy Survey Scheme.

Under this scheme you can ask an

independent consultant to give your firm a one-day energy survey.

He'll give your whole factory an energy once-over and will recommend energy-saving measures.

Invest in energy saving.

And as Marks & Spencer found, the returns could mount up in a big way.

Energy saving problems or questions? Phone the Energy Quick Advice Service for immediate free advice.

Industrial queries—Freephone 6222 (England & Wales).

—Freephone 8305 (Scotland).

Building services queries—Freephone 3

THE MARKETING SCENE

Still some spots

AT 6.15 PM yesterday, half an hour after ITV was back on the air, the first commercial for almost three months was transmitted in the UK. It was for United Biscuits' Crackerwheat, and was booked by Saatchi and Saatchi who took out an option to the first quite recently, and did not have to pay a special price for the privilege either.

In fact although it is virtually impossible to get a spot for the rest of October, at least in the major ITV regions, here are still advertising breaks available in November and December. But you have to move fast and be prepared to pay at least 30 per

cent more than last year. Virtually all the time is being sold at the peak rate, but, as the contractors point out, that is because demand is so great.

There is availability because some advertisers have cancelled campaigns for November when the protraction of the strike disrupted their marketing plans. But now that competitive forces are quickly re-establishing themselves there is likely to be a scramble for the vacant spots, especially if the ratings return to normal as quickly as some predict. Indeed, Clive Leach of Trident has stuck his neck out and forecasts even larger audiences than a year ago.

In brief...

ASSOCIATED Biscuits is moving its Jacobs cracker business, and four other brands, out of Benton and Bowles. The £600,000 Jacobs business goes to JWT.

PEARCE Duff, an old established grocery product but, to date, not a heavy advertiser, is moving from Roe and Partners to Unilever Knight Ritchie.

THE BUYING UNIT, the separate media buying operation set up last week by Grey, is to work for the Cyprus Tourism Organisation. The account was previously with Brunnings.

THE £1,000 Rothermere Radio Research Award has been awarded to Terry Bullen of JWT. Runners up prizes of £250 go to Alan Smith of IPC and Kirsty Burton and Brian Doogan of Lintas.

J. D. WILLIAMS, the major group of mail order companies, is to use All Media Services North instead of full service advertising agencies. Wunderman International and Gerald Green. All told around £1m. is involved, making this one of the

largest account gains by any media independent.

BARCLAY'S is a new alcohol-free lager from Canada Dry.

A GOOD autumn issue of Advertising, published by the Advertising Association, has John Newson discussing advertising wear out in relation to Dunlop's corporate identity campaign. Ann Burdus, chairman of McCann, writing on the role of the account planner; and there are three articles celebrating fifty years of advertising education.

ISBA is sponsoring a one-day seminar at the British Academy Conference Centre in London on November 30 with the theme Choosing and Using an Advertising Agency.

AMS Advertising, a subsidiary of All Media Services, is to act as representative for Shanghai television. It already works for Sichuan and Kwangtung Television, and can now offer a market of over 230m Chinese.

DISCOVER 2 an at-home pregnancy test kit is being launched in the UK through women's magazines. Bellamy Nicholson Reeves and Robertshaw is handling the £250,000 campaign.

As the advertising industry slowly gets back to normal Peter Hood assesses the impact of the great ITV strike

Winners and losers from the blank screen

THE ELEVEN week loss of

what was widely regarded as the most powerful advertising force in the country, ITV, has had surprisingly little impact on the marketing world—apart that is from the £60m and upwards loss in billings suffered by the television contractors and the advertising agencies.

The high streets are alive and kicking, if not exactly booming. None of the major supermarket operators contacted had noticed any effect on their business attributable to the absence of ITV. Jim Penrell, assistant managing director of the Tesco buying company said it usually used TV itself at this time of year. "We have diverted some funds to other media" he said, "but our competitors are off TV as well and we would say it has not affected us. You get good weeks and bad weeks and it is very difficult to say what causes a bad week, the weather perhaps, the end of the school holidays or the ITV strike? On the whole, business is buoyant."

Bob Dowd, retail director of Hillards, a northern supermarket group which has turned in record profits, said the effect of the strike was not really evident. Like Tesco, Hillards has lost part of a TV campaign and shifted money into the press. "The high street is still as competitive as ever," said Bob, "but we can't really say what effect the ITV strike or the engineers action is having specifically. Now there's a bus strike in Birmingham; I can see the effect of that in some of our figures."

Most marketing companies have felt some effect. There are special cases such as record companies who depend very heavily on TV and they have certainly felt the pinch. There is also a feeling that some categories of product which rely on advertising for the communication and even the creation of the benefits of the brand over the generic products and retailers private label have been affected: toiletries were mentioned in this connection.

Certainly below-the-line promotion houses have not lost and some have made useful gains. At Triangle we have one or two jobs which have arisen

directly or indirectly as a result of the TV strike.

But it has not produced a promotion windfall for consultants, partly because a lot of the money diverted below-the-line has gone into straight price dealing and part because of the time it takes to mount a major consumer promotion campaign.

Besides which you usually need advertising media to communicate the promotion or special packs and the take months to get through the pipe line.

Effects

Specialised sectors of the promotion business have certainly felt the effect. Peter Morgan of Circular Distributors says "inquiries have boomed" as the increase in orders is rather less spectacular." Graham Dodd of Marketspace, the other major company in the door-to-door distribution field, says "we have not put on any additional distribution but those scheduled are fully booked. We have picked up a major new advertiser directly from TV and we believe the benefits will carry over into next year."

Colin Chamberlain, general sales manager of Heinz reports unit sales up 12 per cent this year. "We doubled our advertising budget in the April-July period and have developed a strong presence in media in addition to television," he said. "We have been using the press and we are rebuilding our holding of poster sites." On an individual product basis there may have been some effect. "We lost a whole campaign for baby food," he added. "Ketchup and pasta campaigns have lost some TV support. Fortunately our major campaigns on beans and soup were moved back to later in the year for various reasons, one of which was to be sure we have restored stock inventories following the transport strike and our exceptional summer trade."

Walter Dodd, sales director of St. Ivel, reported a similar experience. "Gold Spinner cheese spread has developed a very strong position in the market based on a special appeal to children. We have a free offer of bouncing putty that glows in the dark. This was to be promoted on TV," says Dodd, "but we have lost the campaign and we are not getting the off-take we anticipated. Another specific case is Gold, a unique product in the yellow fats market," said Dodd. "We were under a lot of pressure from the trade to go national in spite of the fact that we were finding it difficult to keep pace with the demand from existing areas. We rescheduled the launch into the remaining area in the North three times and eventually launched without TV support."

"Recently," says Gordon Medcalf, "there has been a new attitude developing which is centred on a useful chunk of unspent money and some trial mathematics just to see what it looks like if you add it to the figure in the bottom-right-hand corner."

This attitude is reflected by Colin Chamberlain of Heinz, who says: "We will be looking more critically at our deployment of advertising funds during the remainder of this

cation. Toys at £20 or more are more likely to be a pre-purchase item rather than a last-minute Christmas week buy,

the half-term holidays are about to start and this is a key period for the child-influenced purchase."

"I should think the toy makers are tearing their hair out by now," said Bob Dowd.

For the TV commercial production companies and the army of free-lancers and associated suppliers, the strike has been the worst news since ITV began in 1956. It has also had a considerable effect in the advertising business. This is the time of the year when agencies make their profit and anything up to 50 per cent of the years TV billing can fall in the September-November period.

But no agency has become a casualty so far. There are, in fact, good reasons for this. The major agencies with a heavy TV billing are, with four exceptions, U.S.-owned and insolvent. They are unlikely to arise from a UK TV strike. Agencies billing below £5m do not normally have a big proportion of TV business. The vulnerable group are in the £5m to £20m bracket and by taking out the U.S.-owned agencies, it is possible to make a comparatively short list of the most probable casualties.

The result is unlikely to be bankruptcy—advertising billing is always worth something to someone.

It is more likely that when the next heavy burst of TV spending comes through, some agencies will be facing a negative cash flow of substantial proportions.

The TV contractors have indicated that credit may be extended for this year, next year, sometime—but not ever and this is when we may see some takeovers, mergers, amalgamations in the news again.

Had it been realised how long the strike was going to last there would have been a more intensive effort to replace TV with consumer promotion, but no one took much notice at first.

Gordon Medcalf, chairman of FGA, an agency with a high proportion of its business in television, says there have been three distinct phases in the attitude of companies to the strike.

During the first few weeks the mood changed, the trade press started to give the "like top news featuring and it became clear that there could be no question of making it up later. It was at this point that the main drive for alternative media took hold.

"Recently," says Gordon Medcalf, "there has been a new attitude developing which is centred on a useful chunk of unspent money and some trial mathematics just to see what it looks like if you add it to the figure in the bottom-right-hand corner."

The timing of the strike could hardly have been worse from an advertising point of view.

Building a brand is a continuous process, but many campaigns are based on a spring and autumn burst of advertising.

For the toy business the timing is particularly serious. The trend towards more expensive toys depends on good communica-

tions in relation to our market.

year in relation to our market.

ing requirements. This would be especially so in the case of any proposition that we take

replacement TV time at premium rates."

The move back into press was already well advanced and can only have been stimulated by the strike. Peter Humphreys, advertising services manager of Wall's Meat, comments: "We went into women's magazines as well as TV and posters. Any medium can be affected by labour disputes but what the past 11 weeks have demonstrated is the risk you take if you put all your money in one place at a critical sales period; the risk may be justified but it is certainly there."

"The handling of the problem by most of the TV contractors has not helped," said John Carson of Schweppes. "I believe they have not sent out any formal statement of their position to the industry and if it were not for a personal friend in one company, I would not have had any direct knowledge of what was going on."

St. Ivel director Chris Gibbons says, "we have been most disappointed in the attitude of the TV contractors in

relation to our efforts to over-

come the problems caused by their dispute. Their intransigence is in marked contrast to

the response of the Press who have been most co-operative in

spite of the fact that they are embarrassed by the additional demand for space."

In the short term the Press

in all forms and radio have been

winners and they would be most

disappointed if they did not

hang on to some of the gains. All

sections of the Press report

increased business ranging from a sold out position in the

nationals and major evenings to

some additional pages in local

weeklies.

The most interesting specula-

tion is what effect it will have

on the TV medium itself.

It would appear that the television contractors' relationship with the agencies and advertisers is about on a par with that which they have with their own technicians. The rate increase of about 15 per cent became operative on October 1 and has or will be received by agencies and advertisers with less than good grace. In spite of all this, I believe there will be a queue at the door when ITV re-opens for business.

What happens in 1980 and particularly in 1982 when new contracts come into force may be another matter. Clive Leach, sales director of Trident television says, "by any comparison, be it the retail index or Press costs, TV rate increases have not been excessive and the medium still offers a highly competitive proposition." Not everyone would agree with this judgment.

Peter Hood is managing

director of Triangle.

Best of the bunch

FOR THE eighteenth successive year the Institute of Marketing has come up with a group of companies that are reckoned to be so far ahead of the competition that they have won National Marketing Awards. The 1979 winners are John Brown Engineering Gas Turbines in the £50m-plus turnover group; Dornic (CV Home Furnishings) and Pretty Polly, joint winners in the £10m-£50m section; Camping Gaz in the £2m-£10 class; and Digicor, under £2m.

Camping Gaz (GB) was formed in 1976 and this year made a profit of £160,000 on sales of £5.6m. Brand leadership has been maintained and there has been diversification into conservation products—coolboxes and refrigerators in particular, as well as expanding the market for blowlamps. Digicor, formed in 1966, has specialised in innovation. It was the first to produce a 16 bit mini-computer, first to install a quadraphone linked processor system, first to produce a system to be used in typesetting and more.

The Institute Awards are commendable because they are one of the few forms of public recognition of successful British marketing. They could do with more support, in the form of entries, from British industry.

A.T.

Mateus white hopes

ONE market busily reassessing its advertising plans following the ITV dispute is the drinks trade. It tends to concentrate on the pre-Christmas period but this year there just will not be enough TV time available—at a price consistent with fixed budgets anyway. So companies like Hedges and Butler, which looks after such big selling brands as Hirambee, Bacardi, Sandeman, Enva, and Mateus Rosé, are faced with difficult choices on priorities.

One sector which will definitely be nourished is the Portuguese wines which it handles for the Guedes family. Mateus Rosé is the best selling single wine in the world with almost 1m bottles bought each week. In the UK, after a couple of static years, it has resumed its upward promotional budget.

Now attention is switching to Aveleda, a white vinho verde produced by the same Portuguese family. In the U.S. Mateus is actually markets Mateus White but in the UK the aim is to develop a distinctive white wine which does not threaten the Mateus Rosé franchise. Hence Aveleda which has been repackaged in a hock like bottle. With mainly in-store promotion sales are 50 per cent higher this year and this encouraging response should persuade Hedges and Butler to raise the promotional budget.

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Q:

What have the following in common?

Sir James Goldsmith, Vidal Sassoon

The Saatchi Brothers, Sir Peter Parker

Lord Barnetton, Victor Matthews

Terence Conran

Mary Quant

Richard Tompkins

A:

They or their companies have all been the subject of MARKETING WEEK cover stories.



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If you're a regular MARKETING WEEK reader you'll have:

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- traced the Saatchi brothers route to success from small hot-shop to a top British agency.
- found out Victor Matthews's plans to change the face of Fleet Street.
- been kept up-to-date each week on all the news, the views, the people, the launches and the campaigns in the fast-moving world of marketing.
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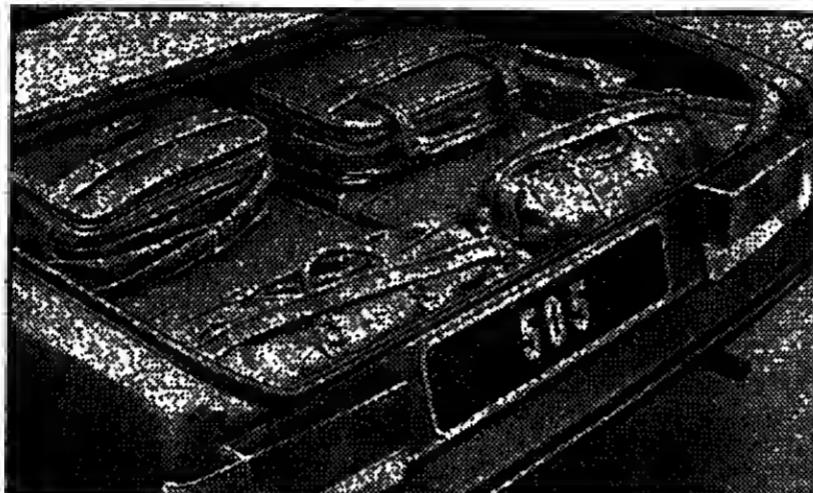
Comfort and Reliability get together with Style

The new Peugeot 505 2 litre will cause many a head to turn. Its sleek aerodynamically conscious design is undeniably stylish and immediately suggests quality and refinement.

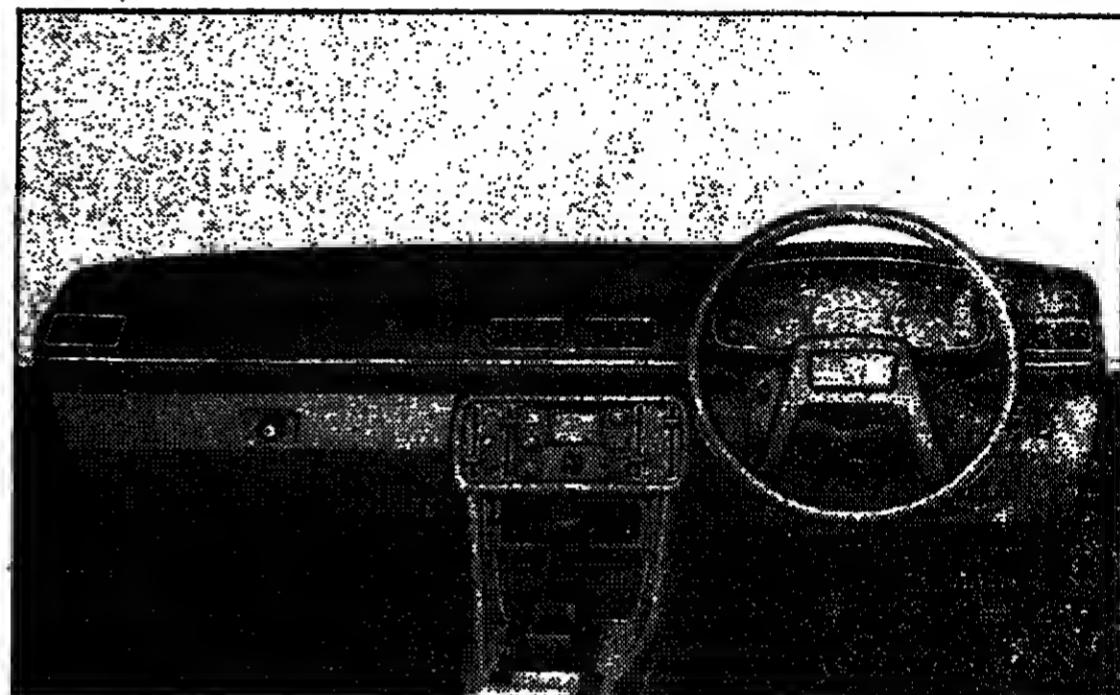
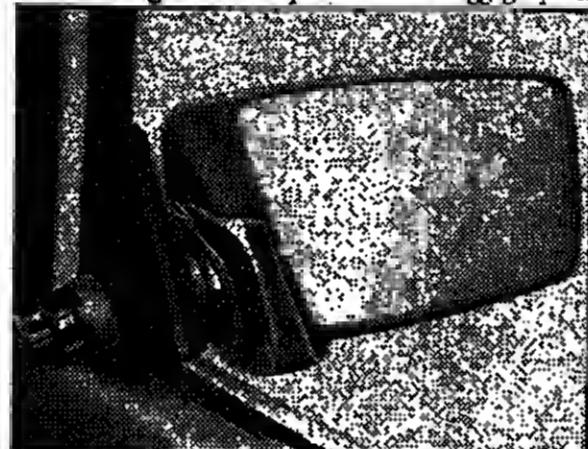
There's a range of models that should certainly match most people's requirements in this class. A choice of three engines, carburettor, petrol injection, or diesel and two levels of luxurious trim to consider, and with automatic transmission on some, there's a total range of ten models.

ENGINE:	1971cc Carburetor	1995cc Fuel Injection	2304cc Diesel	Trim
MODEL:	GR SR	TI STI	GRD SRD	A B

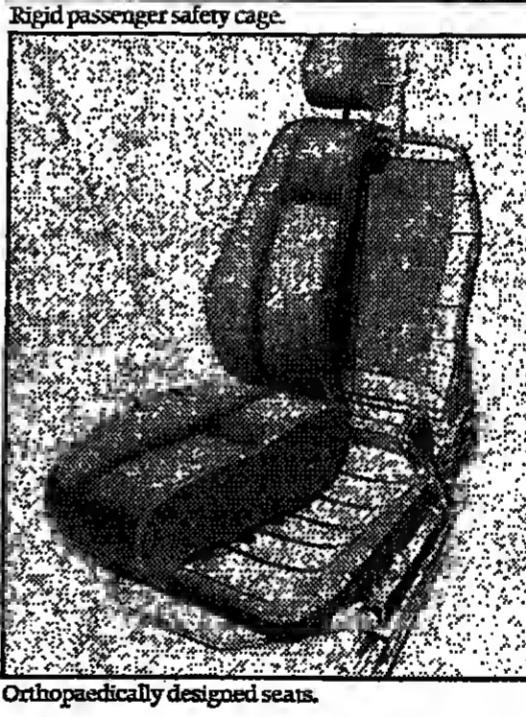
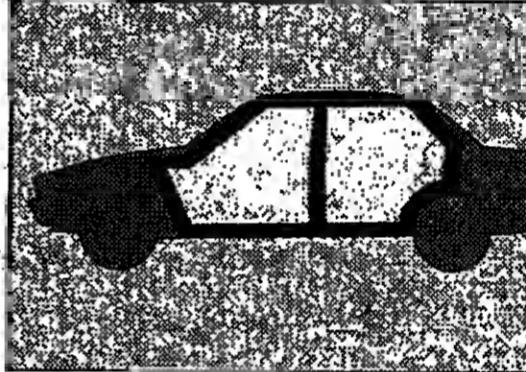
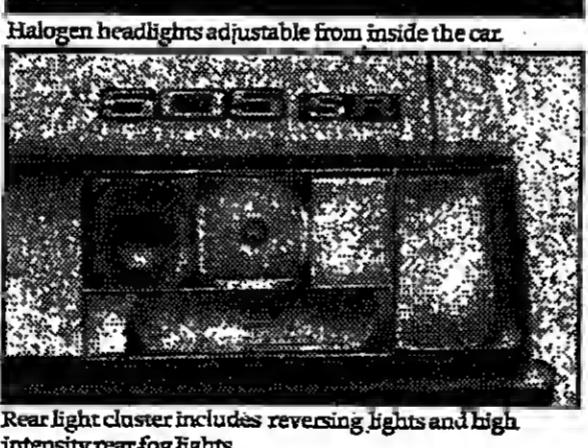
Trim A upholstery is in attractive velours, Trim B in new style tweed cloth. Trim B also features as standard equipment electrically operated sunroof and front windows, tinted glass all round and body side protection mouldings.



The large boot with up to 18.4 cu ft of luggage space.



Modern style dashboard, with clear instrumentation.



Orthopaedically designed seats.

Economy

Economy for the customer has always featured predominantly in Peugeot research and development programmes, the 505 range is no exception. With fuel consumption figures* at a constant 56 mph, of 39.8 mpg for the carburettor models and 38.2 mpg for the injection STI, main service intervals of 10,000 ** miles, an engine diagnostic plug, removable cylinder liners ** and the use of expensive long life components underline the manufacturer's policy in this area.

And yet the excellent fuel consumption figures have not been obtained at the expense of performance. The engines are powerful; 96 bhp for the carburettor petrol engine with a top speed of 102.5 mph, and the 110 bhp STI fuel injection engine will reach a top speed of 109 mph.

Comfort

Driver and passengers alike will find that comfort is of the highest level.

Naturally seats have been orthopaedically designed—and the selection of materials used ensures armchair luxury. They are finished in most beautiful fabrics—there's a choice of velours or the very distinctive new style tweed finish, seldom seen in automobiles, and on the STI model, leather is available as an option.†

But comfort is not just a question of seats, their positioning is also most important. The wheelbase of the 505 is extra long, thus enabling both front and rear seats to be positioned in between the wheels, obviously more comfortable than if over them. There's bags of legroom, not just for front seat passengers but for those in the rear seats as well.

The suspension selected is the expensive four wheel independent system ensuring excellent roadholding whatever the surface.

Seats and suspension are designed to match and engineered to offer a perfect balance of seat and ride comfort.

Sophisticated power assisted steering is fitted on all models (the same system as used on the "top of the range" 604) enabling the driver to enjoy all the benefits that this brings, and yet still retain "a sense of feel".

Heating and ventilation obviously have an important role to play when one considers comfort. The system is new, featuring a variable speed blower, allowing a constant supply of fresh air to the passengers obtained through the vents located in four positions on the dashboard. The heating system has been designed to ensure that in cold weather, front and rear passengers are perfectly comfortable. Tested in extreme conditions in North America, when the exterior temperature was minus 18°C (0°F), temperatures recorded inside at the front and rear were +37.5°C (99.5°F) and +33.5°C (92.3°F) respectively.

Inside

A combination of colours and tones come together to offer a most harmonious atmosphere. The anti-dazzle dashboard is beautifully designed and finished. The quality of interior equipment is evident; from the door locks to the new shape gearshift and the seat adjusters, refinement has obviously been the order of the day.

Very little engine or road noise penetrates the passenger cabin. The engine bay bulkhead is fitted with sound deadening moulded rubber-faced foam panels and other sound proofing materials are located around the wheel arches, under the rear seats, in the roof lining and side pillars.

There are no universal joints between the gearbox and the final drive thus eliminating flexing and transmission judder. And on the TI and STI models the engine mountings incorporate an hydraulic valve which filters out vibrations and ensures greater flexibility.

Engineering

The carburettor GR and SR models use the 1971cc engine that has gained such a fine reputation through years of continuous rally successes.

The injection TI and STI models take a new 1995cc all aluminium engine incorporating the Bosch K-Jetronic fuel injection system. Ignition is from an electronic system ensuring fast starting whatever the conditions.

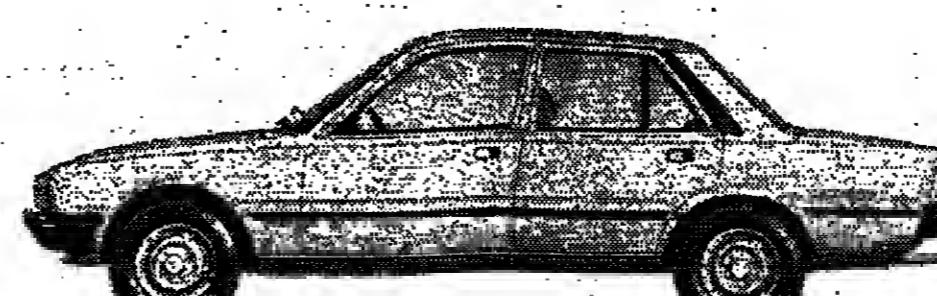
And the range is complete with the GRD and SRD 2304cc Diesel engine offering incredible economy and robustness.

The 505 is fitted with a four-speed manual gearbox renowned for its fast, easy gear change and reliability; every one is tried, tested and checked for sound levels.

But there's a choice of gearbox too; the STI model features the highly successful five speed manual gearbox that has gained a fine reputation in the 604 TI.

Finally, for those who prefer automatic transmission, the world famous "ZF" system is available on all petrol models.

It's probably in this technical area that Peugeot's fine reputation has been made. Long since the benchmark for others to work to on low engine noise levels, constant work is carried out to maintain, and indeed improve this reputation. Calling on almost one hundred years' experience, utilising research and development facilities second to none, employing only the finest engineers and using the highest quality materials and techniques. For example the electric motor for the sunroof is located in the boot, and the motor for the heater fan in the engine compartment, not in the passenger cabin.



Prices GR - £5,781, SR - £6,250, TI - £6,350, STI (5 speed) - £6,820, GRD - £6,531, SRD - £7,000.

All prices inclusive of VAT and Car Tax. Delivery and number plates extra.

Prices correct at time of going to press.

حکایات الصلح



Safety

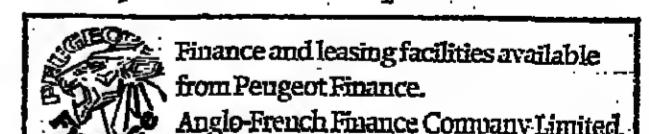
Numerous active and passive safety features thoroughly researched and tested have been built into the design of the 505—a rigid passenger cell has been constructed, protected at the front and rear with crumple zones—and further protection is ensured for all occupants by the addition of lateral girders.

Anti-corrosion Treatment

The 505 has undergone intensive anti-corrosion treatment. The main exposed components are zinc plated, and the bodyshell after degreasing is fully immersed in a bath where an electrophoretic system of coating all surfaces with primer is carried out. In addition, bitumen wax is injected into all hollow sections and an anti-gravel product applied under the wheel arches. And finally, the cars are painted in a range of beautiful colours, including the option of metallic finish.

The 505 range has been designed to meet not only today's motoring needs but those for years to come. Its sleek attractive style is classical and does not follow short-lived trends. It's built to last, and it will. It's built for reliability (we've gained rather a reputation for that) but, above all, it's built for pleasure—to give you the pleasure of driving.

Any of our 250 dealers nationwide will be pleased to tell you much more about the 505—we've just too little space—or for further details just send us the coupon.



Finance and leasing facilities available from Peugeot Finance.

Anglo-French Finance Company Limited.

*Petrol consumption figures in accordance with official Government Testing Procedures. (Manual transmission)

**When ordered with metallic finish and automatic transmission.

†Petrol models only.

At a constant 56 mpg (80 km/l) At a constant 75 mpg (120 km/l) Simulated urban driving

GR/GR - 28.8 mpg (7.1 l/100km) GR/GR - 28.1 mpg (7.7 l/100km) GR/GR - 25.8 mpg (8.1 l/100km)

SR/SR - 30.7 mpg (6.9 l/100km) SR/SR - 29.2 mpg (7.0 l/100km) SR/SR - 26.9 mpg (7.5 l/100km)

TI/TI - 32.5 mpg (6.6 l/100km) TI/TI - 32.0 mpg (6.7 l/100km) TI/TI - 29.9 mpg (7.0 l/100km)

STI/STI - 33.2 mpg (6.4 l/100km) STI/STI - 32.6 mpg (6.5 l/100km) STI/STI - 30.0 mpg (7.1 l/100km)

GRD/GRD - 30.4 mpg (6.8 l/100km) GRD/GRD - 30.0 mpg (6.9 l/100km) GRD/GRD - 27.9 mpg (7.3 l/100km)

SRD/SRD - 31.0 mpg (6.6 l/100km) SRD/SRD - 30.5 mpg (6.7 l/100km) SRD/SRD - 28.4 mpg (7.1 l/100km)

TI/GRD - 31.5 mpg (6.5 l/100km) TI/GRD - 31.0 mpg (6.6 l/100km) TI/GRD - 28.9 mpg (7.0 l/100km)

STI/GRD - 32.2 mpg (6.4 l/100km) STI/GRD - 31.7 mpg (6.5 l/100km) STI/GRD - 29.6 mpg (7.1 l/100km)

GRD/GRD - 32.8 mpg (6.3 l/100km) GRD/GRD - 32.3 mpg (6.4 l/100km) GRD/GRD - 30.2 mpg (6.8 l/100km)

SRD/GRD - 33.5 mpg (6.2 l/100km) SRD/GRD - 33.0 mpg (6.3 l/100km) SRD/GRD - 30.9 mpg (6.7 l/100km)

TI/GRD - 34.2 mpg (6.1 l/100km) TI/GRD - 33.7 mpg (6.2 l/100km) TI/GRD - 31.6 mpg (6.6 l/100km)

STI/GRD - 35.0 mpg (6.0 l/100km) STI/GRD - 34.5 mpg (6.1 l/100km) STI/GRD - 32.4 mpg (6.5 l/100km)

GRD/GRD - 35.8 mpg (5.9 l/100km) GRD/GRD - 35.3 mpg (6.0 l/100km) GRD/GRD - 33.2 mpg (6.4 l/100km)

SRD/GRD - 36.5 mpg (5.8 l/100km) SRD/GRD - 36.0 mpg (5.9 l/100km) SRD/GRD - 34.0 mpg (6.3 l/100km)

TI/GRD - 37.2 mpg (5.7 l/100km) TI/GRD - 36.7 mpg (5.8 l/100km) TI/GRD - 34.6 mpg (6.2 l/100km)

STI/GRD - 38.0 mpg (5.6 l/100km) STI/GRD - 37.5 mpg (5.7 l/100km) STI/GRD - 35.4 mpg (6.1 l/100km)

GRD/GRD - 38.8 mpg (5.5 l/100km) GRD/GRD - 38.3 mpg (5.6 l/100km) GRD/GRD - 36.3 mpg (6.0 l/100km)

SRD/GRD - 39.5 mpg (5.4 l/100km) SRD/GRD - 39.0 mpg (5.5 l/100km) SRD/GRD - 37.9 mpg (5.9 l/100km)

TI/GRD - 40.2 mpg (5.3 l/100km) TI/GRD - 39.7 mpg (5.4 l/100km) TI/GRD - 38.6 mpg (5.8 l/100km)

STI/GRD - 41.0 mpg (5.2 l/100km) STI/GRD - 40.5 mpg (5.3 l/100km) STI/GRD - 39.4 mpg (5.7 l/100km)

GRD/GRD - 41.7 mpg (5.1 l/100km) GRD/GRD - 41.2 mpg (5.2 l/100km) GRD/GRD - 40.1 mpg (5.6 l/100km)

SRD/GRD - 42.5 mpg (5.0 l/100km) SRD/GRD - 42.0 mpg (5.1 l/100km) SRD/GRD - 40.9 mpg (5.5 l/100km)

TI/GRD - 43.2 mpg (4.9 l/100km) TI/GRD - 42.7 mpg (5.0 l/100km) TI/GRD - 41.6 mpg (5.4 l/100km)

STI/GRD - 44.0 mpg (4.8 l/100km) STI/GRD - 43.5 mpg (4.9 l/100km) STI/GRD - 42.4 mpg (5.3 l/100km)

GRD/GRD - 44.7 mpg (4.7 l/100km) GRD/GRD - 44.2 mpg (4.8 l/100km) GRD/GRD - 43.1 mpg (5.2 l/100km)

SRD/GRD - 45.5 mpg (4.6 l/100km) SRD/GRD - 45.0 mpg (4.7 l/100km) SRD/GRD - 43.9 mpg (5.1 l/100km)

TI/GRD - 46.2 mpg (4.5 l/100km) TI/GRD - 45.7 mpg (4.6 l/100km) TI/GRD - 44.6 mpg (5.0 l/100km)

STI/GRD - 47.0 mpg (4.4 l/100km) STI/GRD - 46.5 mpg (4.5 l/100km) STI/GRD - 45.4 mpg (4.9 l/100km)

GRD/GRD - 47.7 mpg (4.3 l/100km) GRD/GRD - 47.2 mpg (4.4 l/100km) GRD/GRD - 46.1 mpg (4.8 l/100km)

SRD/GRD - 48.5 mpg (4.2 l/100km) SRD/GRD - 48.0 mpg (4.3 l/100km) SRD/GRD - 46.9 mpg (4.7 l/100km)

TI/GRD - 49.2 mpg (4.1 l/100km) TI/GRD - 48.7 mpg (4.2 l/100km) TI/GRD - 47.6 mpg (4.6 l/100km)

STI/GRD - 50.0 mpg (4.0 l/100km) STI/GRD - 49.5 mpg (4.1 l/100km) STI/GRD - 48.4 mpg (4.5 l/100km)

GRD/GRD - 50.7 mpg (3.9 l/100km) GRD/GRD - 50.2 mpg (4.0 l/100km) GRD/GRD - 49.1 mpg (4.4 l/100km)

SRD/GRD - 51.5 mpg (3.8 l/100km) SRD/GRD - 51.0 mpg (3.9 l/100km) SRD/GRD - 49.9 mpg (4.3 l/100km)

TI/GRD - 52.2 mpg (3.7 l/100km) TI/GRD - 51.7 mpg (3.8 l/100km) TI/GRD - 50.6 mpg (4.2 l/100km)

STI/GRD - 53.0 mpg (3.6 l/100km) STI/GRD - 52.5 mpg (3.7 l/100km) STI/GRD - 51.4 mpg (4.1 l/100km)

GRD/GRD - 53.7 mpg (3.5 l/100km)

JOBS COLUMN, APPOINTMENTS and BUSINESS OPPORTUNITIES

One-man multinational · Shell high-fliers

BY MICHAEL DIXON

WHAT'S the chairman's name—"Nebuchadrezzar?" I asked headhunter Peter Barnett. At first hearing, the job he had just mentioned to me sounded like directing the completion of the Tower of Babel. One of the tasks would be personally motivating 11 general managers, each of a different nationality.

But Mr. Barnett replied that the opening for a chief executive covering Europe, was not concerned with construction; rather with a consumer-goods type of business. And while the newcomer would have charge of subsidiaries in 11 different lands, be or she should be able to get by linguistically with fluency merely in English, French and German.

Since he may not name the company, Peter Barnett promises to honour any applicant's request not to be identified to the employer until specific permission is given.

From headquarters in London, the new chief executive will travel fairly frequently to the near-dozen subsidiaries those in France and Germany include manufacturing. The rest are primarily marketing operations. Their average turnover is about £4m apiece.

Candidates could come from any country, provided that they have the aforesaid international-management capability and have been successful in running a group operation using advanced techniques of control. The emphasis is on financial understanding, because the chief must keep constantly abreast of happenings in the entire empire.

Previous experience in consumer goods would help but is not essential. A degree in economics or from a major business school would give an advantage. The age indicator is 35 to 45.

The salary is likely to be £25,000, if not more. Profit-sharing and equity stake are "earnable". Car among perks. Written applications to the headhunter at Barnett Keel International, Providence House, River Street, Windsor, Berkshire SL4 1QT; tel: 075 35 56723 or 57011 if he is in, which he often isn't.

Generalists

THE ABILITY to rise above a specialist managerial function and take cognisance of various other aspects of business with a bearing on the specialist's decisions, is said to be a marked feature of people who became

top executives in Shell. When this feature—known as "the helicopter quality"—was identified by a psychological study of Shell managers some time ago, it was greeted with a certain degree of satire. The ability most commonly associated with top management, it was said, would be better termed "the glider quality"—the skill of rising higher and higher by going round in circles, supported by a constant stream of hot air.

But concern to employ people with the helicopter quality, and in positions well below the executive summit, seems very much alive in Shell, as witness the recent appointment of a new chief executive.

The salary is likely to be £25,000, if not more. Profit-sharing and equity stake are "earnable". Car among perks. Written applications to the headhunter at Barnett Keel International, Providence House, River Street, Windsor, Berkshire SL4 1QT; tel: 075 35 56723 or 57011 if he is in, which he often isn't.

Operating on behalf of the owning consortia, the division's offices in London, Aberdeen and Lowestoft are involved in some 500 contracts annually, with a combined value of approaching £1bn. The deals to be arranged are for products ranging from the heaviest to the lightest, and

for services such as helicopters (naturally), pipe-laying ships, specialist working skills, and so on and so on.

About 18 months ago the division took steps to counter the tendency for such contracts to be arranged by specialists in the particular technology concerned, with the result that relevant regulations and other complexities concerning North Sea business often failed to be considered at all.

A two-person department was set up to exercise the helicopter quality with a view to taking account, when a contract was being organised, of the fullest possible range of commercial concerns needing to be considered if the optimum benefit were to be gained from the deal. The experiment must have demonstrated its worth, for the commercial contracting department is now a dozen strong, and expects to recruit a further 10 people before long.

The most senior opening is for a head of commercial contracting, who will be responsible to commercial services manager Ed Holloway for two main tasks.

The first is obtaining agreement with the various partnerships and managements, or whose behalf the division operates, for the establishment of appropriate commercial policies covering various broad categories of contract.

The second is ensuring that these policies are properly observed in the day-to-day activities of the division's offices.

So the newcomer, who will eventually have responsibility for about eight staff must surely be a highly persuasive person. Just as important, he or she will need already to be by the age of no more than 40 a demonstrably competent "business generalist".

The ideal background would include qualifications and experience in law, accountancy, engineering and marketing. But since such a combination is to say the least rare, Shell would be only too keen to consider people some part of the way towards the ideal. Demonstrable ability to manage commercial activities is required.

No salary is quoted. But my estimate would be certainly not less than £12,000. Perks flexible.

Also coming to market are jobs for half a dozen commercial analysts, senior and junior, in the same department. Here the need is for numeracy and experience which has covered more than one of the "business functions", although I gather that this would not rule out a recent university-leaver who having studied a science has since become interested in law or such, or vice-versa.

Again no salaries are specified. But my guess would be,

In the case of experienced applicants, at least £7,000.

Write only, please, for an application form to the Recruitment Officer, UEP/S2, Shell UK Exploration and Production, Shell Centre, London SE1 7NA.

Unqualified

EVEN if unqualified, whoever becomes management accountant of Concorde Transport—which specialises in distributing and warehousing high-value equipment such as computers—will have prospects of promotion to financial-controller level or higher within the Concorde Securities group.

That is pledged by Mike Goddard, group financial controller of the £4m-turnover, unquoted British company, which was formed nine years ago and is based near London's Heathrow Airport.

Candidates, preferably in their 40s, need demonstrable skill in management accounting, but experience in financial accounting also would be an advantage.

Familiarity with the transport business would help, but is not essential. Starting salary of £6,000 or more.

Telephoned inquiries to Mr. Goddard on 01-890 0807, written applications to Concorde Transport, Unit H, St. Anthony's Way, Fazakerley, Fazakerley, Middlesex TW14 0NH.

UNIVERSITY OF SINGAPORE ACADEMIC VACANCIES

Applications are invited for the Department of Accountancy

(1) One Professorship:

(2) Four posts at Lectureship/Senior Lectureship level.

As at present constituted, the department of accountancy is part of the School of Accountancy and Business Administration which prepares 1,200 students for the Bacc and BBA degrees. The Bachelor of Accountancy course takes three years and is professionally recognised with students of high academic standing being awarded first or second class honours.

Applicants must have both professional and academic competence and should preferably come from the following fields: Financial Accounting Theory and Practice; Financial Management. For appointment as Professor, applicants must have considerable working and teaching experience and have published in journals of international repute. For appointments at all levels, preference will be given to those who have a university degree besides being professionally qualified as accountants.

Annual emoluments for the professorship range from \$565,430 to \$885,160; for others, the range is from \$520,900 to \$562,220 depending upon level of appointment and past experience. These emoluments include a thirteen month allowance payable in December of each year and allowances recommended by the National Wages Council for 1978 and 1979.

For staff appointed on normal contract, emplacement on the permanent establishment will be considered after two three-year contracts. Leave and medical benefits are provided. Under the University's Academic Staff Provident Scheme, the staff member contributes at the present rate of 16% of his salary subject to a maximum of \$5495 p.m., and the University contributes 20% of his monthly salary. (The sum standing to the staff member's credit in the Fund may be withdrawn when he leaves Singapore/Malaysia permanently.) Other benefits include: a settling-in allowance of \$51,000-2,000 depending on circumstances, subsidised housing at rentals ranging from \$1100-350 p.m., passage assistance and baggage allowance for transportation of personal effects to Singapore.

For appointments at very senior level, short-term visiting contracts may be offered. For such appointments, additional benefits will include transport and children's educational allowances. Candidates should write to: The Registrar, University of Singapore, Kent Ridge, Singapore 0511, giving their curriculum vitae and also the names and addresses of three referees.

INDUSTRIAL DEVELOPMENT

The Greater London Council is looking for three people to undertake challenging work under its Industrial Promotions Manager.

They will join the Industrial Promotions Group which is responsible for promoting London as a place for industry and commerce. A new area of work is being developed to complement the current efforts of the London Industrial Centre and to make a major contribution towards the Council's overall objective of securing new industrial and commercial development and viable new job opportunities in London.

The additional team will assist the manager with the development of a comprehensive approach to identifying new business opportunities for London. The team will operate both in the UK and overseas.

Successful candidates will probably be graduates or corporate members of a recognised professional institution with a background in a technological, physical science or economic discipline and experience in industrial marketing, industrial market research, business development or a related field.

Candidates will need to demonstrate an innovative approach to their work and an ability to pursue a project through to a successful conclusion.

Command of French and German would be an advantage. Knowledge of UK and EEC legislation relevant to the activities involved would be helpful.

Post A £11,858-£13,055

Will be deputy to the Industrial Promotions Manager, and take direct responsibility for one of the group's areas of operation (probably home and European).

Post B £9,716-£10,637

Will principally assist the Senior Marketing Officer in the development of the marketing activity in one of the group's areas of operation.

Post C £9,716-£10,637

Will contribute to the development of initiatives including those directed at small firms and start-up situations and take responsibility for the development of the London Enterprise Programme for entrepreneurs.

Telephone or write for further details and an application form to be returned by 19 November to the Director, Valuation and Estates Department (VA/E/MH)

**LONDON
INDUSTRIAL CENTRE**

Greater London Council, Island Block, The County Hall, London SE1 7PB Tel: 01-633 8632.

Credit Controller

c.£10,000

This major firm of international Lloyd's insurance brokers, based in central London, is establishing a new post to collect and control income from its clients.

Reporting to the Managing Director, the successful candidate will devise and develop systems of control between the technical and accounts departments. A probing yet diplomatic personality will enhance the teamwork aspects of this appointment. Previous experience within insurance or in loan administration of banking/finance houses would be advantageous and would help communication with new colleagues. Candidates, aged 30-35, seeking wider responsibilities will find this an attractive appointment. The starting salary will be not less than £10,000 to those of proven ability and experience.

Candidates, male or female, can make application by quoting reference MCS/3793 and requesting a personal history form from Ken Johnson, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 5SL.

**P.
WATERHOUSE
Associates**

Corporate Lending Officer to £14,000 +benefits

Our Client is the London operation of one of the leading top 50 world banks, and the group is expanding rapidly.

It is offering a unique chance to develop further your marketing skills in a senior position in a substantial lending group.

You have at least three years' experience of direct corporate lending and senior account management with major U.K. clients.

You are in your late 20's to early 30's.

You have a degree and probably an accounting or business qualification, and you feel restricted in your activities by the hierarchical pyramid of management above you.

You want greater responsibility in decision-making in your job.

Please telephone Jack S. Pine M.A. or Richard Wilson M.A. to discuss this position in greater detail.

DAVID CLARK ASSOCIATES
4 New Bridge Street, London E.C.4
Telephone: 01-353 1867

Credit Analyst

We are currently seeking an experienced analyst to assist our Syndication Manager and to a lesser extent support our Corporate Banking team. Candidates should possess an appropriate accounting qualification together with an in-depth knowledge of analysis techniques and the ability to work with the minimum of supervision.

An attractive salary will be offered commensurate with experience together with an excellent benefits package.

Please apply in writing enclosing cv to Personnel Department, United California Bank, California House, 36/39 Essex Street, London WC2R 3AS.

**UNITED
CALIFORNIA
BANK**

SEC Pension Funds Equity Investment Manager

The GEC Pension Funds hold U.K. equity investments with a current market value of £120m. They are now looking for an investment manager with a record of proven success to be responsible for the portfolio with a minimum of supervision.

Such a manager should be numerate and have relevant professional qualifications.

The salary offered will be attractive and match the high qualities sought.

Applications from either men or women should give full personal and career details and be sent to: P. Olney, Investment Manager, GEC Ltd., 132 Long Acre, London WC2. Tel: 01-836 3444.

Managing Director Steel Stockholding

Our client is an international engineering group with an outstanding record of rapid and profitable growth. Turnover is above £150m, and there are major operating companies in the UK and overseas.

A Managing Director is required for the group's steel stockholding company with a turnover in excess of £10m through a multi-depot operation. The task is to manage and develop the company through a period of growth resulting from significant acquisitions and the introduction of new products. This provides an opportunity to apply modern stockholding concepts to achieve a significant increase in volume and profit and entrepreneurial skills in sourcing supplies to best commercial advantage.

Candidates, ideally aged 30 to 45, must have a record of progressive achievement with profit responsibility in steel stockholding or a related activity and demonstrable marketing and administrative ability. A qualification to degree level is expected.

Salary: negotiable in five figures plus profit sharing bonus; car and other benefits; re-location help to West Midlands.

Please send brief details—in confidence—to W. A. Griffith ref. B.502. This appointment is open to men and women.

MSL
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Financial Director

W. London

c.£17,500 plus car

Our clients are a substantial company with a £100m. turnover and are part of a leading British Group with diverse consumer-oriented interests. The company produces and wholesales a wide range of branded goods as well as operating an extensive retail chain and supervising overseas interests. The business environment is therefore complex and varied with a strong marketing bias. The Financial Director will be responsible for a centralised accounting function of nearly 100 staff operating computerised systems but will be expected to make a contribution on very broad lines, developing corporate strategies, evaluating risks and opportunities and participating in business decisions. Success in this role will lead to further opportunities within the Group. Applicants should be Chartered Accountants in their 30's who can demonstrate a record of achievement in a comparable environment. Ref. 1503/FT. Apply to R. A. Phillips, ACIS, FCII, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel: 01-636 0761.

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Top Executives

If you are finding your talents wasted—we can help.

In the serious business of marketing yourself MINSTER EXECUTIVE provide the professional and comprehensive career counselling service that has achieved outstanding results. After evaluating your full potential we direct you through every stage of the job search, furnishing you with material individually tailored to your specific needs, and counsel in the art of being interviewed. As professionals we have an acknowledged standing in the employment market. We invite you to a preliminary discussion to discover why our clients have been so successful.

MINSTER EXECUTIVE LIMITED

28 Bolton Street, London W1F 9EP. Tel: 01-483 1209/1085.

Director of Finance and Administration

This new appointment calls for a seasoned financial manager with considerable personal stature to undertake the development of the finance and administration function in a major division of one of the leading consumer goods manufacturers in the UK.

Our client, who's turnover is well into nine figures, has extensive retailing interests as well as high volume production and wholesaling operations.

Finance and Administration is centred at the small Headquarters in London with a large number of operating Companies working as individual profit-centres grouped into regions for management purposes.

Candidates must already have performed successfully at a very senior level in the financial management of a large consumer goods manufacturing business run on de-centralised lines. Experience should preferably include financial control of retailing operations, product costing and pricing and the presentation of planning and budgetary information to Board management. Familiarity with computer based systems is expected.

Salary indicator £16,000. Company car and excellent benefits. Central London location.

Please reply, in strict confidence, to Curzon Personnel Services, 9 Curzon Street, London W1Y 2FL, giving full personal and career details. Applications from both male and female candidates are welcome.

Curzon Personnel Services

Area Managers Water Softeners

Myson manufacture Europe's widest range of indoor environmental control equipment and we are now moving into the water refining business.

If you live in the Home Counties, East Midlands or East Anglia and have a successful sales record in the consumer durable field, then this is an outstanding opportunity to join a newly created marketing division of a company of international repute.

These are jobs for self starters, either male or female, who are capable of pioneering sales territories for a range of exciting new products.

We will pay the successful candidates a high salary, performance bonus and provide a company car in addition to the usual big company benefits which are also available.

Please apply in writing (or telephone), with comprehensive details of your career and salary to date to:

MYSON

Tony Rogers, Myson Domestic Products Limited
Water Refining Division, ONGAR, Essex CM5 9RE
Telephone: Ongar (02776) 4311

RECENTLY QUALIFIED ACCOUNTING PROJECTS

Central London

Our client is a major quoted group with substantial worldwide interests. The company is currently going through an important development phase and now plans to appoint a qualified accountant who will be primarily responsible for:

- the preparation of a monthly summary of performance and a management report
- the development of control systems, and the implementation of specific projects.

This will provide candidates with experience of computerised accounting, currency exposure, fund control and generally provide an excellent basis for a career in an international financial environment.

Candidates for this appointment will be qualified accountants probably in their mid-late 20s. Either in the profession or commerce/industry, they must have the ability to communicate effectively with management from other disciplines, be self-motivated and have the flexibility to travel internationally.

For further information and a personal history form please contact Nigel V. Smith, A.C.A., or Peter Dawson quoting reference 2593.

Douglas Lumbkins Associates Ltd.
Accountancy & Management Consultants
410 Strand, London WC2R 0EP. Tel: 01-580 5501
123 Newgate Street, Gresham St., EC2V 4HT. Tel: 01-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744



Systems Accountant

Central London

c. £8,700 +

A vacancy exists for a qualified accountant in the Finance Division of the Civil Aviation Authority. The successful candidate will be responsible to the Financial Accounting Manager. He or she will be required to develop and expand the existing accounting and financial reporting systems which include sales and nominal ledger accounting, capital expenditure monitoring and budgetary control. These duties will involve close liaison with the Authority's Computer Services Division which operates an ICL 2960 computer.

Candidates should have experience of both financial and management accounting, of designing and implementing computerised financial systems and be able to communicate well with all levels of staff in the Finance and Computer Services Divisions.

Conditions of service include a contributory pension scheme and over four weeks annual leave.

Please write or telephone for an application form.

Miss L. Boyle, Civil Aviation Authority
Personnel, Room 458, Aviation House,
129 Kingsway, London WC2B 6NA.
Tel: 01-580 6522, Ext. 413 or 531.

The closing date for application forms is 12 November 1978.



Major Merchant Bank INVESTMENT MANAGEMENT

A major Merchant Bank, one of the Accepting Houses, has vacancies at fund manager and trainee level in its Investment Division. The positions will range from the management of portfolios to provision of investment advice and general investment research.

Applications are invited from individuals with the following qualifications and/or experience:

Fund Manager Level. Individuals with at least three years' relevant experience in fund management, stockbroking or investment research; age range 25-30.

Trainee Level. Graduates with a first or second class honours degree or with an accountancy/legal background.

Competitive salaries with major benefits are envisaged for the successful applicants.

Please write in confidence with full curriculum vitae to the Personnel Manager.

Box FT/593, c/o Hanway House,
Clark's Place, Bishopsgate,
London EC2N 4BJ

Should there be any companies to which you do not wish your application to be forwarded, please list them in a covering letter addressed to the Appointments Manager.

Managing Director Life & Pensions Broking

This is an excellent opportunity for a talented individual to enjoy considerable advancement in both status and remuneration.

The company, a subsidiary of a major international financial group, operates within the sphere of Life Assurance and Pensions brokerage, so thorough grounding and long experience within this area is essential.

Briefly, the person appointed will undertake the development of the company, with the full support of the parent organisation: to accomplish this task successfully, he or she must possess pronounced marketing and general management skills, be a sound administrator and be able to liaise, advise and organise at all levels.

Currently the potential appointee is probably occupying a senior managerial position within a brokerage or Life Assurance company and will view this post as a natural career progression. The salary and associated benefits are unlikely to disappoint the right person.

Please write giving details of career to date, stating any organisations to whom your application should not be forwarded.

J. D. Vine, Account Director (Ref: CRS/142).
Lockyer Bradshaw & Wilson Limited.
North West House, 119/127 Marylebone Road, London NW1 5PU.

LBW
LOCKYER, BRADSHAW & WILSON
LIMITED

Group Management Accountant

Major Publishing Co. c. £11,000 neg.

Our Client has diversified international interests throughout the publishing industry. A small Head Office team, based in central London controls and co-ordinates the activities of profit centres through subsidiary companies.

Our client has asked us to locate a man, 28-35, to take charge of the total Management Accounting area. The work will include all aspects of planning and budgeting, liaison with subsidiaries, development of computer models, etc. The Group's structure means that you will be responsible for consolidations and statutory accounts. You will have a qualified staff of three. Some U.K. and overseas travel is involved.

You will need to be a practical Accountant with 4-10 years' experience of commerce. Some of this should be with a similar fast moving diversified organisation.

Please write with full details to: Colin Barry at Overton Shirley & Barry (Management Consultants), 2nd Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-353 1169.

**Overton Shirley
and Barry**



Investment Analyst

Life Assurance Company

MGM Assurance is a well established and expanding mutual society specialising in life assurance and pensions. In addition to our Head Office in Worthing, we have 15 branches and 4 sub-offices throughout the U.K.

We are seeking an Investment Analyst to assist in the management of the Society's investments. We envisage the successful applicant being in his or her early twenties, having a degree or professional qualification and with at least a year's experience with an insurance company, pension fund, investment trust or stockbroker.

Although based at the Society's Head Office in Worthing, the investment team maintains close personal contact with the City. The position to be filled would be concerned primarily with assistance on the Society's ordinary share portfolio, but would offer an excellent opportunity to gain experience in a wider field, including overseas investment.

The position offers excellent working conditions in a pleasant environment. Full relocation assistance will be provided where necessary, and advantageous mortgage facilities are available. We envisage a salary of around £25,000 to £26,000 p.a., although possibly higher for the right applicant.

Please write, in confidence, with personal details and career history to the Personnel Manager, MGM Assurance, MGM House, Heene Road, WORTHING, West Sussex BN11 2DY.
Tel: 01-823 8211.

MGM MGM ASSURANCE

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If you and your clients could benefit from these, why not talk to us? We will be glad to hear from individuals or groups with a view to joining our Private Clients Department.

Come and talk in the strictest confidence to R. D. Fulford, Senior Partner.

Kemp-Gee & Co.,
20 Copthall Avenue, EC2.
01-600 7595.

Based: North Hampshire

c. £14,000 per annum

electronics field and should be conversant with EDI systems. The job requires particular experience of the multi-national aspects including customs, foreign exchange, governmental regulations, and reporting deadlines. The excellent remuneration package includes a company car, private health insurance, pension scheme and generous relocation assistance.

REPLIES will be forwarded direct, unopened and in confidence to the client's advisers unless addressed to our Security Manager, listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope. (Ref: M9162/FT).

PA Advertising

Norwich Union House, 79 King Street, Manchester M2 2JL. Tel: 061-236 4531.



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The personnel consultancy dealing exclusively with the banking profession

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SALES

Experienced Securities Sales Executives, who will maintain and develop relationships with groups of investors, building up two-way business across a variety of markets.

ANALYSIS

A numerate and self-motivating Debt Securities Analyst whose brief will be to assist traders and salesmen by monitoring market trends and yield movements and suggesting profitable opportunities relevant to clients' portfolios and preferences.

Salaries will depend on experience and record, but should be no bar to the right candidates. Terms of service are as one would expect for a major bank.

All enquiries will be treated in strict confidence. Please telephone DAVID GROVE, or write enclosing a detailed Curriculum Vitae to KEN ANDERSON, Director.

First Floor, Entrance New Street, 170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

ADMINISTRATOR

SOLICITORS

Head of Administration required by substantial firm of solicitors to assume responsibility for all non-legal staff and services. The successful applicant will have a degree or professional qualification in Management or related studies and will also have had five to ten years' administrative experience in a similar organisation employing over 200 persons. You will be expected to participate fully in the development of an expanding modern Partnership. Generous salary and conditions negotiable.

Apply with full curriculum vitae to:
Box A.6933, Financial Times,
10 Cannon Street, EC4P 4BY

CHARTERED ACCOUNTANT

The London Branch of a leading West German Bank is seeking a Chartered Accountant with Bank Audit experience (with particular emphasis on Foreign Exchange Accounting) in order to develop the branch's Management accounting system and operational procedures.

An attractive salary and excellent working conditions and fringe benefits are offered.

Please contact Mrs. Loveday with brief details of career to date. WESTDEUTSCHE LANDESBANK GIROZENTRALE, 41 MOORGATE, LONDON EC2R 6AE. Tel: 01-623 5141

Managing Director

(Carton Manufacture and Print)
Hertfordshire
c. £13,000 + bonus

Responsibility is for the profitable development of a business with turnover above £3m, employing over 200.

The plant and premises are modern and products range from high volume cartons to quality print. The business has a stable base of work and prospects for substantial growth.

The job contains a real and personal challenge.

Candidates must have experience of management, of printing and of market development. Age is probably in the range of 35-45. Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and achievements. Please write to A. C. Crompton, quoting reference 840/FT on both envelope and letter.

Deloitte Haskins + Sells

Management Consultants

128 Queen Victoria Street, London EC4P 4JX

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Commercial Director (Des)

East Anglia

Commercial flair, accounting ability and a desire to motivate people will ensure success in this demanding position. As a qualified accountant — ideally from the printing industry — with an appreciation of computers, your responsibilities will encompass accounting, estimating and administration systems, as well as taking a leading role on pricing policy and the negotiating of major customer contracts. You will be joining a leading printer where substantial growth is now resulting from extensive re-investment. To have achieved the desired level of maturity and experience you are likely to be 35-45. Generous relocation expenses are available.

Telephone: 01-836 1707 (24 hr. service) quoting Ref: 0402/FT. Reed Executive Selection Limited, 55-56 St. Martin's Lane, London WC2N 4EA.

The above vacancy is open to both male and female candidates
London · Birmingham · Manchester · Leeds

European Financial Controller

to £20,000 + car

This highly profitable and rapidly expanding international company, with a turnover of approximately £250 million, is engaged in construction material and quarrying activities. The decision has now been taken to move the European Group headquarters to London and this has created the opportunity for someone to join the company as European Group Financial Controller. This is a key post within the Group and one of the most senior financial positions within the company. Reporting to the Chief Executive of the European Group, the person appointed will be responsible for co-ordinating the financial activities and reporting of seven national companies within the Group. This will involve periodic visits to these subsidiary companies.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

European Management Accountant

York

Portakabin Limited, Europe's foremost manufacturer of instant accommodation, has created a new post of European Management Accountant to service the companies of the European Sales Division, in Holland, Germany and France.

Reporting to the Financial Controller, the person appointed will be responsible for the management and control of the Company's European accounting procedures. Practical knowledge of up-to-date accounting methods is important and previous experience of managing a busy team is essential.

There will be considerable travel necessary to ensure effective liaison with Senior European Company Management and long term job opportunities, which will involve

devolution of some accounting locally, are seen to be very exciting. The position will carry an attractive remuneration package including car, entitlement to membership of a non-contributory pension scheme and relocation expenses, where appropriate.

Suitably qualified accountants are invited to submit applications under "Confidential" cover to:

Roger Wood,
Personnel Services Manager,
Portakabin Limited, New Lane,
Huntington, York, YO3 9PT.

Portakabin

Corporate Banker/Treasurer

City of London

c. £15,000 per annum

To join enthusiastic treasury management team providing specialist advice and financial services to United Kingdom industrial and commercial companies.

Must have wide practical experience of currency exposure management and international funding management. Graduate with banking and/or accounting qualifications preferred. Age 30 to 40.

Please apply for application form to

Box No: A6938 Financial Times, Bracken House, 10 Cannon Street
London EC4P 4BY

The plant and premises are modern and products range from high volume cartons to quality print. The business has a stable base of work and prospects for substantial growth.

The job contains a real and personal challenge.

Candidates must have experience of management, of printing and of market development. Age is probably in the range of 35-45. Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and achievements. Please write to A. C. Crompton, quoting reference 840/FT on both envelope and letter.

Deloitte Haskins + Sells

Management Consultants

128 Queen Victoria Street, London EC4P 4JX

Charles Barker Confidential Reply Service

Please send full career details and list separately companies to which we should not forward your reply. Write the reference number on the envelope and post to our London office, 30 Farringdon Street, London EC4A 4EA.

Finance Director

East Midlands

c. £13,000+car

This challenging opportunity has arisen within an important UK subsidiary company of a British owned international Group.

The company is profitable, has a strong market position, a well known and respected brand name, and a young senior management team.

Reporting to the Managing Director, the Finance Director will be responsible for a broad spectrum of finance and accounting functions, including in-house data processing.

The job offers:

- the opportunity to help shape a company which is changing rapidly.
- involvement with a wide range of manufacturing and marketing issues.
- substantial scope for major initiatives in the development of control systems.

Candidates, male or female, should be qualified accountants in their 30's — preferably with a management accounting bias — with managerial experience in a manufacturing company context.

The successful applicant will be a "doer" not a talker, and have the ability and motivation to make an effective contribution to broad business decisions.

A company car is provided together with a full range of other benefits including assistance with relocation expenses if necessary.

Reference 1582

Accountant

London c. £9,000 + benefits

This is an excellent opportunity to enhance your career and accountancy skills.

Our client is a specialist manufacturing and marketing company in a rapidly growing communications field.

As the successful candidate you will report directly to the Chief Accountant and be responsible for a number of accounting project and you will assist in the preparation of monthly management accounts, annual budget, periodic financial forecasts variance statements and analyses, standard costing and the development of computerised accounting. In addition you will be expected to manage effectively an accounts team of twelve.

Aged 25-40, you will be an ACMA/ACCA with some experience in a manufacturing environment.

Benefits include contributory pension scheme, travelling assistance, flexi-time, re-location expenses and subsidised canteen.

Please contact: R. May/R. O'Neill

Chelmsford (0245) 60234

Cater House,

49 High Street,

Chelmsford,

Essex.

(Answering service out of hours (0245) 60235)

Applications are welcome from both men and women

Financial Data Processing

Our client is a £200m subsidiary of a major British bank. This subsidiary is setting up a new venture to provide credit management services to clients. The style of the Group is to allow subsidiaries to operate with autonomy, though the considerable management services and marketing resources of the Group will be available.

The General Manager of the new venture has been appointed and the next stage is to find a manager for the administration systems on which the success of the venture will depend. The Manager, Systems and Administration will design, control and maintain comprehensive computer based systems to support the activities of the new Company. It will be responsible for Company accounts. It is hoped that the man or woman appointed would have the aptitude, once these systems become established, to participate in the marketing and consultancy side of the business with an opportunity to become an account executive with responsibility for an industry group.

The talents required are varied, and valid experience is more important than age or formal qualifications, though candidates may well be qualified in accountancy or computation. Experience must include systems development in a financial context, either in credit factoring or the credit management activity of a large organisation.

Both the immediate "package" and career prospects are outstanding. The salary is c. £20,000 with a car, assisted mortgage and relocation to the pleasant Head Office of the Group in the West. Please send full details, quoting reference 1086, to Peter Raynes, or if you would prefer to complete a form, call our 24 hour answering service on Guildford (0483) 67781.

PETER COUNSEL Limited

Executive Recruitment

The White House, 8 High Street, Guildford, Surrey GU2 5AJ

BRIGHT YOUNG BANKERS FOR MAJOR AMERICAN BANK

THE BANK is a leading American bank which established its London Branch over 40 years ago and enjoys a high reputation internationally. THE VACANCIES are for two or three ambitious partly-qualified bankers (Part II A.I.B. would be advantageous but is not essential) aged middle 20s, who wish to make a career in Operations Management either in the U.K. or abroad, as the Bank may from time to time require. The successful candidates are likely to have at least five years' experience in banking operations and have reached a level of seniority which is indicative of a good track record.

THE REWARDS will consist of a competitive basic salary, commensurate with the experience of the individual, a very generous fringe benefit package, even by banking standards, and excellent career prospects.

APPLICANTS, male or female, should send a detailed c.v. including full details of age, education, experience and current remuneration to Box No. RD. 5370, c/o Extel Recruitment, Hazlitt House, 4 Bouvier Street, London, EC4. and state how they meet the job criteria. All applications will be treated in strict confidence and the client company will write to those applicants required for interview within seven days of receiving the application. The names of any banks to whom the application should not be forwarded should be clearly printed on the back of the envelope.

GENERAL MANAGER

ST. GEORGES HILL

LAWN TENNIS CLUB

WEYBRIDGE

The Club has a membership of over 1,000, 27 tennis courts, four squash courts, many social amenities and commensurate indoor and outdoor staff.

We seek a General Manager to administer the day-to-day running of the Club. Ideally applicants will be between 40 and 55, with experience of basic accounting, catering and the handling of people and staff. They will either be prepared to move to or reside within commuting distance of the Club. Salary and other terms of employment are negotiable.

Please send your application with appropriate details in writing to:

H. Colman Esq.

"Edale," Warreners Lane, Weybridge KT13 0LQ

POSITION AVAILABLE

A US-based market research company in high technology industries is looking for a GENERAL MANAGER to start and develop a regional office in London. Candidates should have a range of experience in computers and electronics and experience in marketing and/or consulting.

Send resume and salary history to:
BUSINESS INTERNATIONAL S.A.
12-14 Chemin Rieu, CH-1211 Geneva 17, Switzerland

Corporate Banker/Treasurer

ST. GEORGES HILL

LAWN TENNIS CLUB

WEYBRIDGE

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FINANCIAL CONTROLLERSHIP

Central London

Neg. to £15,000+Car

Our client is a public group with diverse international activities. Due to internal advancement, the group is now seeking to appoint two Financial Controllers who will each have responsibility for individual operating Divisions comprising several independent and self-accounting companies in the U.K. and overseas. The group is making a substantial investment in the development of management reporting and control systems and the successful candidate will have heavy involvement with this aspect. Investment appraisal and long term business planning, reporting to Main Board Level, will constitute other important elements of the appointments.

Candidates will be qualified accountants probably in their early 30's who have had experience in manufacturing industry employing advanced reporting procedures. They must have analytical ability, be articulate and demonstrate the ability to control staff and work successfully with senior management of varying disciplines. Self-motivation and the ability to succeed in a demanding corporate environment are essential.

For detailed information and a personal history form, please contact Nigel V. Smith, A.C.A., or Peter Dawson quoting reference 2842, 410 Strand, London WC2R 0NS. Tel: 01-836 9501.

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Accountancy and Management Recruitment Consultantsand at 121 St Vincent St., Glasgow G2 5HW (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

International Sales Director Steam Generators

Germany £30,000

Our client is a subsidiary company of a major German Engineering Group which has markets throughout the world.

The International Sales Director, who will be based in Dusseldorf, will be responsible to the Board for achieving a sales turnover between DM200 million and DM300 million.

It is essential to have had considerable experience in the development of international business and the negotiation of contracts relating to steam generation plant.

Candidates should be Chartered Mechanical Engineers, with the ability to speak the German language.

Remuneration and rewards are at an attractive level.

Please apply in confidence for application form to D. G. de Belder, Knight Wegenstein Limited, St. Christopher House, 217 Wellington Road South, Stockport, SK2 6LT, Cheshire or telephone 061-477 8565, quoting reference number: 68268.



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Financial Systems Development

C. London

£8,000+

Our client, a US owned high technology company with its UK headquarters in London, currently requires a young Systems Accountant.

You will be responsible for the development of existing computerised systems and involved in the design and implementation of new systems, utilising highly sophisticated EDP facilities.

Ideally a part qualified accountant, aged 24/30 and probably a graduate, you will have 2/3 years accounting experience in an industrial or professional environment, with exposure to computerised systems applications.

Ambition, self-motivation and commercial acumen will be essential personal attributes within this challenging and progressive environment.

Please telephone or write quoting Ref. RG.2143.

**Lloyd Chapman
Associates**

125 New Bond Street, London W1Y 0HR 01-499 7761

Young Accounting Managers

Significant career prospects
Major multi-national company

- ◆ Our client is the well established and profitable UK subsidiary of a major US pharmaceutical company.
- ◆ As part of a planned expansion programme, they now seek two ambitious young accountants with the personality and technical skill to develop in a highly sophisticated and challenging environment.
- ◆ One will have a key role in inventory control, cost reduction and establishing and monitoring production standards and budgets. The other will make a substantial commercial contribution to the financial analysis and control of distribution and marketing.
- ◆ An attractive salary will be offered with relocation expenses to rural Southern England: success in these posts will lead to rapid career progress in the UK or overseas.

Please telephone or write to R.A. Merlin, Grosvenor Stewart Limited, Hamilton House, 15 Tilehouse Street, Hitchin, Herts. Phone: Hitchin (0462) 55305 (24 hour answering). Applications invited from men and women.



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FOREIGN EXCHANGE Senior Dealer - Luxembourg

to c. £20,000 + bonus + benefits

Our client, the well-established Luxembourg Office of an international bank, wishes to engage an experienced Dealer who will further promote and develop its established Foreign Exchange activity.

The successful candidate, ideally aged 26-32, will have several years' experience of trading the major currencies, with extensive contacts in the London Foreign Exchange Market and in other European financial centres. Of prime importance is an enthusiastic response to the challenge of substantially developing the bank's Foreign Exchange business.

The appointment is Luxembourg-based for a minimum period of two years. At that stage a transfer to London is one of the possibilities envisaged for the incumbent's future career development.

Initial interviews are to be conducted by Jonathan Wren & Co. Ltd. All enquiries will be treated in confidence. Please telephone Kenneth W. Anderson (Director) or David Grove.

First floor, entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

UNIVERSITY OF SINGAPORE ACADEMIC VACANCIES

Applications are invited for the following vacancies:

- (1) School of Management: 1 senior professorship; 1 professorship. Appointments may also be made at associate professor level.
- (2) Department of Business Administration: 1 professorship; 7 lectureships/senior lectureships.
- (3) Tan Chin Tuan Professorship in Banking and Finance.

As at present constituted, the Department of Business Administration is part of the School of Accountancy and Business Administration which prepares 1,200 students for the BAcc and BBA degrees. Beginning in July 1980, post-graduate management education will be provided by a new School of Management leading to the MBA and eventually Ph.D. degrees. The Department of Business Administration may share in the teaching of the students of the new School.

For appointment to the senior professorship and professorships, candidates should have considerable teaching and research experience and have published widely in journals of international repute.

For the School of Management, they can be in any field but preference will be given to the following: organisational behaviour, international business, accounting. The Tan Chin Tuan Professorship is in the fields of Banking and Finance or in one of these two fields.

For appointments to associate professorships, candidates should be experienced in teaching and research, with a good record of publications.

For appointments at all levels, preference will be given to those who have a Ph.D. degree.

Annual emoluments for Senior professorships, \$592,670 to 103,940; professorships \$565,430 to 85,160; associate professorships \$554,080 to 72,240; others from \$520,900 to 62,224 depending upon level of appointment and past experience. These emoluments include a thirteenth month allowance of one month's salary payable in December of each year and allowances recommended by the National Wages Council for 1978 and 1979. (USS1 = \$52.17 approx.)

For staff appointed on normal contract, emplacement on the permanent establishment will be considered after two three-year contracts. Leave and medical benefit are provided. Under the University's Academic Staff Provident Fund Scheme, the staff member contributes at the present rate of 16½% of his salary subject to a maximum of \$5495 p.m., and the University contributes 20½% of his monthly salary. (The sum standing to the staff member's credit in the Fund may be withdrawn when he leaves Singapore/Malaysia permanently.) Other benefits include: a settling-in allowance of \$1,000-2,000 depending on circumstances, subsidised housing at rentals ranging from \$100-350 p.m., passage assistance and baggage allowance for transportation of personal effects to Singapore.

For appointments at very senior level, short-term visiting contracts may be offered. For such appointments, additional benefits will include transport and children's educational allowances.

Candidates should write to: The Registrar, University of Singapore, Kent Ridge, Singapore 0511, giving their curriculum vitae, their areas of specialisation, the subjects they are competent to teach and also the names and addresses of three referees.



FX DEALERS

Nordic Bank Limited, a major London consortium bank, is seeking Foreign Exchange Dealers.

We have vacancies for both senior and junior dealers and the salaries and benefits offered to the successful applicants will be highly competitive. Candidates for the senior position should have at least three years' active dealing experience in a busy FX dealing room.

Initial enquiries may be phoned to K. A. R. Mackenzie, Deputy Manager, Personnel, 626 8273. Written applications should contain full details of work experience, age and present salary.

NORDIC BANK LIMITED,
Nordic Bank House, 41-43 Mincing Lane,
London EC3R 7SP.

ECONOMIST - Central London

The Henley Centre for Forecasting has a vacancy for an economist to join the UK forecasting Group. Working as a senior member of a team he/she will be involved in the preparation of forecasts and supporting commentary for the Centre's regular publications and in the development of macro-economic forecasting systems.

The successful applicant will have up to three years' experience of macro-economic analysis with particular emphasis on monetary flows, financial institutions and the markets. The starting salary will be dependent on qualifications and experience will be in the range £7,000-£8,000 p.a.

Please write in confidence, enclosing details of your career, to:

Mr. H. A. Gordon, Director, U.K. Forecasting,

The Henley Centre for Forecasting,
2 Tudor Street, London EC4Y 0AA. Tel: 01-838 9961.

ERI

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Up to £17,500 tax free plus car

- This attractive career appointment is with a well-established joint venture company linking a major international contractor with a prominent local group.
- The Controller will be responsible to the Managing Director (British) for the overall finance function including general accounting, internal audit, systems and procedures, EDP review and control of budgets, cash and credit control, capital expenditure appraisal and control and local funding of working capital. He will control a multi-national staff and liaise closely with other British expatriates at managerial and supervisory level.
- Candidates, aged probably 38-47, should be qualified accountants with a sound career record in companies where the Controller function is strong. Direct experience of the construction industry, including overseas, would be valuable.
- In addition to salary, which includes living allowances, benefits include free furnished accommodation and services, free local primary schooling, educational allowances for children in UK, and paid home leave every six months (total five weeks per year).

Please write, quoting reference, to Michael Blakiston, Executive Resources International, Management Consultants, 87 Jermyn Street, London SW1Y 6JD.

Corporate Treasurer/ Financial Consultant

City of London

up to £12,000 per annum

To join enthusiastic treasury management team providing specialist financial advice and assistance to the larger United Kingdom industrial and commercial companies.

Must enjoy the challenge of marketing professional financial services and the satisfaction of using technical and creative skills in meeting clients requirements. Age 30 to 40.

Please apply for application form to
Box No: A6939 Financial Times, Bracken House, 10 Cannon Street
London EC4P 4BY

Jonathan Wren : Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

ECONOMIST

c. £8,500

A City-based merchant bank seeks an Economist to join its U.K. Investment Department. The ideal applicant will be aged between 24-26, with a good relevant degree and three years' experience probably with a City financial institution. He/she will be required to assist Fund Managers and Directors with economic analysis and forecasting. Some understanding of the U.K. equity market would be useful.

Please telephone in confidence, or write enclosing a Curriculum Vitae to RICHARD MEREDITH

First floor, entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Christie-Tyler Limited

GROUP FINANCIAL CONTROLLER SOUTH WALES

c £16,000 + car

Christie-Tyler, the major listed U.K. furniture manufacturer with sales of £70 million and pre-tax profits in excess of £4 million and a substantial growth record, require a Group Financial Controller to be based at its Head Office in South Wales.

The successful candidate - who will be a qualified Chartered Accountant and preferably in the age range 30-40 - will report to the Group Financial Director and be responsible for heading a small team dealing with the full range of corporate

financial matters including published and management accounts, cash management, forecasts and accounting policies. The group consists of 20 autonomous subsidiaries and the ability to communicate successfully with senior management is as important as sound technical ability and experience. The vacancy arises from internal promotion and the remuneration package is attractive and will include profit bonus.

Detail written applications, which will be treated in confidence, should be made to:-

K.C. O'Sullivan, Group Financial Director, Christie-Tyler Limited, Brynmenyn, Nr. Bridgend, Mid Glamorgan.

BANKER

We require a banker who should have at least 3/4 years' experience gained in an authorised bank. This experience should include a general working knowledge of day to day banking procedures together with those relating to the taking of security.

The successful candidate will form part of a small team concerned with the provisions of secured property finance, personal lending and special situations.

This team is part of a Banking Department whose activities are extremely varied. Prospects for promotion are good. Initial remuneration and benefits will be made attractive for the right applicant.

Confidential applications will take the form of a brief descriptive letter together with a curriculum vitae and should be sent to The Staff Department.

Guinness Mahon

Guinness Mahon & Co. Limited

32 St. Mary at Hill, London EC3P 3AJ

GROUP TAXATION MANAGER

West London To £15,000 + car + benefits

This challenging opportunity arises in the Headquarters of a well-known major U.K. group with diversified subsidiaries in the U.K. and overseas. A Chartered Accountant, aged up to 35, is to be appointed to establish a taxation department and manage the corporate taxation affairs of the Group.

Reporting to the Group Financial Controller, he/she will advise on the implication of all taxation matters relating to the Group particularly involving capital projects and proposed acquisitions. There will be close liaison with senior financial taxation staff within the operating Divisions.

Relevant taxator experience in an international professional firm and/or multi-national group is essential. A diplomatic personality and the ability to create good working relationships with senior colleagues and City professional advisers are necessary qualities for this new role.

The usual large company fringe benefits apply.

Applications under Ref. No. RC130, to: Miss Marion Williams, Extel Recruitment, 4 Bouvierie Street, London EC4Y 8AB. Tel: 01-353 5272.

Extel Recruitment Executive Selection Consultants

FINANCIAL CONTROLLER

Age: 27-35 Up to £9,500 + car

WINDSOR

World-Wide Assurance Company Ltd. - a subsidiary of E. F. Hutton California Company - transacts life reinsurance in some 35 countries; due to expansion it now requires a Financial Controller who will report to the Deputy General Manager and will be responsible for the following:

- preparation of monthly management accounts
- preparation of annual statutory accounts in accordance with UK and US accounting standards
- preparation of Department of Trade returns
- supervision of a small accounts department and maintenance of all financial accounting records

Candidates must be qualified accountants and previous experience in any branch of insurance would be an advantage, though it is not essential. The preferred age range is 27-35 and the salary is negotiable up to £9,500. In addition there is a car, subsidised mortgage and other attractive fringe benefits. Opportunities for overseas travel.

Please send a comprehensive career résumé, including salary history, quoting ref. 1007/FT to W. L. Tait

Touche Ross & Co. Management Consultants

4 London Wall Buildings,
London EC2M 5UJ.
Tel: 01-588 6644.

NEWLY QUALIFIED ACCOUNTANT TO SPECIALISE IN TAX

£9,500

Major multi-national group requires a young, newly-qualified accountant with initiative and a desire to specialise in tax.

The successful applicant will join a small tax team dealing with tax planning, advice and U.K. tax as it applies to international groups involving minimal computational work.

This is a particularly attractive opening offering professional and career development in a growth orientated group.

Applicants are invited to write or telephone Mr. R. J. Welsh

Reginald Welsh & Partners Limited.

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Expansion within the International Division of this major clearing bank has created this unusually challenging post for a young qualified accountant. He/she will work closely with line management in the design development and interpretation of systems to help optimise the profitability of multi-currency trading. Since this is an exciting new development previous specific experience is not necessary. This rare opportunity offers a total remuneration package in excess of £10,000 including a high basic salary, bonuses, subsidised mortgage and other fringe benefits to applicants who are able to show evidence of sustained enthusiasm combined with an innovative approach to problem solving.

Telephone: 01-836 1707 (24 hr. service) quoting Ref: 06995 FT. Reed Executive Selection Limited, 55-56 St. Martin's Lane, London WC2N 4EA.

The above vacancy is open to both male and female candidates.
London Birmingham Manchester Leeds

Local Authority Finance

City
Early 30s



BLUE BUTTON

This is a first-class career opportunity with a leading City firm, for which you will need a minimum of six months' experience. Working as part of an elite team, you will be rewarded with every possible opportunity for advancement.

Salary £9,500 + bonus.
For further details call:
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439 4381

PORTMAN RECRUITMENT SERVICES

Accounting Manager

International Operations
from £10,000

Mayfair based - some overseas travel

NL Petroleum Services, part of the NL Industries Inc. (Group turnover £900 million), is one of the world's largest and longest established oilfield service organisations.

An Accounting Manager is required for the Eastern Hemisphere Operation. Reporting to the Financial Controller the job holder will be part of a small HQ team and will be responsible for Financial Analysis, Taxation and Credit Control. In addition there will be involvement in special projects relating to acquisition and feasibility studies.

Candidates must be qualified accountants with several years commercial experience, preferably in a multi-national company. The ability to operate in a fast moving international environment is essential.

Send full details or apply for an application form to:-

Frank Abercrombie
Manager, Employee Relations
NL Petroleum Services
35/36 Grosvenor Street
London W1X 9FG



Our clients, a well established firm in the City with a reputation in public sector financing, are looking for a young qualified potential Local Authority Treasurer or Director of Finance to lead their marketing to Local Authorities.

This is an exciting opening for an ambitious and capable person who would find commercial financing rewarding and is looking for an opportunity to develop a career outside Local Government. A high standard of management and problem solving skills will be expected together with the ability to project concepts and originate new methods of finance.

Our specification calls for someone in their early 30s, qualified ACA or IPFA, with good varied experience in the Finance Sector of Local Government and the ability and self confidence to communicate with senior financial officials.

Remuneration will not be limiting factor and will be commensurate with the experience, initiative and capability of the successful applicant.

To discuss this opportunity, please ring or write with brief details to Christopher West, quoting ref. 239C.

COURTENAY STEWART INTERNATIONAL LIMITED

11 Maddox Street, London W1R 9LE. Tel: 01-529 1913.

PORTFOLIO MANAGER

A leading firm of London stockbrokers requires a Portfolio Manager to join its discretionary Private Clients department.

The successful applicant will have had several years experience in the management of discretionary portfolios, will ideally have passed The Stock Exchange examinations and will probably be aged 28-35. The ability to communicate effectively, both verbally and in writing, is essential.

Prospects for promotion are good. Total remuneration will be approximately £10,000 p.a. and could be higher for the right applicant.

Applications will be forwarded direct to our client. Please indicate in a covering letter, any firms to whom you do not wish to apply.

Please send a comprehensive career résumé, including salary history, quoting ref. 1017 to W. L. Tait

Touche Ross & Co. Management Consultants

4 London Wall Buildings,
London EC2M 5UJ.
Tel: 01-588 6644.

CHIEF ACCOUNTANT

Wembley

£12,000 + Car

A quoted company, our client has developed a new concept in a specialised retail area in which it has a dominant market position.

The company has established an impressive growth record and to match this it is now investing in the development of computer based accounting systems and reporting procedures. The Chief Accountant will be heavily involved with all aspects of these developments and in addition, will control a large staff and the production of all regular information.

Candidates for this appointment, male or female, should be qualified accountants, probably aged 30-40, who are technically strong and have spent several years managing an accounting department. They must be self-motivated and seeking an appointment which will demand total involvement in all aspects of the accounting function.

For more detailed information and a personal history form, please contact Nigel V. Smith, A.C.A., or Peter Dawson quoting reference 2651, 410 Strand, London WC2H 0NS. Tel: 01-836 9501.

DOUGLAS LLAMBIA'S

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Accountancy and Management Recruitment Consultants
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3 Coates Place, Edinburgh EH3 7AA (031-225 7744)



Solicitor

£6,000-£8,000

A Solicitor of above average ability and good educational background is required for a permanent post at the offices of the Board's Regional Solicitor at Eastwood, Nr. Nottingham.

The work of the Department is varied and includes litigation, conveyancing, commercial and industrial relations work.

The conditions of service are attractive, and include a salary within the range £6,000-£8,000.

Please write to:



J.G. Tyrell, Regional Solicitor,
Eastwood Hall, Eastwood, Notts.
The closing date for applications is 1st November 1979.

SYNDICATIONS OFFICER

Age 27-35

c. £11,000

One of the City's leading Merchant Banks seeks to appoint a mature, personable and articulate person to the above position. The successful Candidate will possess a comprehensive banking background culminating in a minimum of three years' experience in Syndicated Lending. A marketing orientation would be a decided advantage.

The job involves the provision of large-scale lending facilities for various geographically allocated areas, and the appointee will adopt a senior role in an expanding team. Outstanding prospects exist for early elevation to Managerial status, as this is a genuine career opportunity. Fringe benefits befit the importance of the appointment.

For further details please telephone MARK STEVENS.

BANKING PERSONNEL
4/42 London Wall, London EC2. Telephone: 01-588 0781

(RECRUITMENT CONSULTANTS)

**E.D.P. AUDIT SPECIALIST**

Brussels

United Technologies, a U.S. multi-market international corporation, is seeking to strengthen its Internal Audit Department in Europe through the appointment of an E.D.P. audit specialist, who will perform the following tasks, working in conjunction with general staff auditors:

- Application system reviews
- Controls and security reviews
- Data extraction activities

Reporting administratively to the European Audit Manager in Brussels, but technically to the Specialist Audit Support Group in Hartford, Connecticut, U.S.A., the successful candidate will have the following experience and qualifications:

- Three or more years performing E.D.P. audit field work in a medium to large mainframe environment.
- Experience in developing or supporting commercial or manufacturing systems.
- Knowledge of data extraction software and data centre operating practices.
- Fluency in English. Knowledge of one or more other languages is also desirable.
- A willingness to spend a significant proportion of time at various operating locations in Europe and periodically visit the U.S.A.

EXPERIENCED ACCOUNTANTS

Applications are also invited from experienced accountants for positions on the general audit staff of this rapidly-expanding department. Please write giving brief c.v. and contact address and telephone number to:

The Manager—Internal Audit,
UNITED TECHNOLOGIES (EUROPE) INC.,
7 Avenue Lloyd George,
1050-BRUSSELS.

**Group Project Accountant**

West Midlands

Circa £8,000+car

This most rewarding of opportunities has been created by the requirement for improved management information, systems and control within our clients' profitable and dynamic £40 million turnover Group. For an ambitious, and diplomatic qualified accountant between 27 and 33 it offers challenging prospects for career development. The objectives will embrace many different aspects of financial management and the position has a broad specification. The basic routines will to a large degree be defined by the successful applicant upon taking up the post and there will be very close involvement with Group Senior Management, particularly with the Group Finance Director.

Please telephone 021-622 3838 for an application form at any time or send full career and personal details to John L. Overton, F.C.A., M.E.C.I., Overton Management Selection Limited, Monaco House, Bristol Street, Birmingham B5 7AS, quoting reference 3/168/FT.

Applications are welcomed from men and women.

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GRADUATE LENDING OFFICER £12,000
(26-32) to £10,000
FX DEALER (27-30) £10,000
BUREAU MANAGER £10,000
(South Coast) £9,500
CREDIT ANALYST/LOANS ADMIN
(with Spanish) £9,000
REFINANCING and Discrepancy Manager
Representative (53-57) £8,000
FX DEALER (23-30) £7,000 negotiable
Please phone
Mike Pope or
Shelli Arnould-Jones
236 0731
30-31 Queen Street EC4

£6,500 ++
+ bonus
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Aged 30-45, to work for a large firm of stockbrokers. Must have payroll and pension fund experience and also have experience within a commercial field.
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A career opportunity with really challenging responsibilities and prospects; for a top-class individual:

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Salary up to £8,000.00 + bank benefits

We are looking for a graduate of a good University, aged around 24, with a logical mind. Their written and oral presentation must be absolutely first rate and they should have personality and a bit of style. Currently, they will be working in a major American bank on a training programme or as a credit analyst and are probably dissatisfied with being a small cog in a huge wheel.

If you fit this description, am thinking of leaving your job and would be interested in joining the London branch of a medium-sized American bank (at present, the London branch has 80 employees but is growing fast) please send details of your background and career to date to:

Box A.6944, Financial Times, 10 Cannon Street, EC4P 4BY.

COMPANY SECRETARY

age up to 40, required for company engaged in sales and worldwide distribution of raw material produced by overseas parent company. To be responsible for final accounts and usual secretarial duties. Modern offices in E. London, pension/life assurance scheme; holiday commitments honoured.

Write in confidence with full details to Box A.6941, Financial Times,
10 Cannon Street, EC4P 4BY.

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of outstanding ability, with solid line management and consultancy background in engineering industry, seeks real challenge with rewards to match in a consultancy or executive role. Please write in strict confidence to Box A.6940, Financial Times, 10 Cannon Street, EC4P 4BY.

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energetic, self-motivated 38-year-old Sales & Marketing Director seeks new challenging opportunity. Particular knowledge of the Office Equipment, Paper, Industrial Plastics, but willing to discuss any situation where the application of drive and professional skills can make a significant impact.

LAING & CRUICKSHANK**ENGINEERING ANALYST**

Laing and Cruickshank is seeking an Engineering Analyst to join its specialist team. The position requires a background in engineering analysis gained either with a stockbroker or institution.

A highly competitive salary is envisaged for the successful candidate.

To apply please write giving details of career to date to:

A. N. Whitney
Laing & Cruickshank
The Stock Exchange
London EC2N 1HA
01-588 2806

**Finance and Business Management
of UK Dealer Operations**

If you are a qualified accountant, around 35 years of age, experienced in financing and in management techniques applicable to an organisation engaged in the distribution of industrial equipment, then there is a challenging job in an internationally oriented company with world-wide connections and operations open to you.

The position calls for provision and monitoring of finance plans and development of management expertise of our UK dealers. Such responsibilities demand a self-motivating and outgoing executive. An appropriate five-figure salary plus fringe benefits will be negotiated. Location Southern England. Please write-in confidence to J. M. Ward ref. B.41366.

This appointment is open to men and women.

MSL

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Management Selection Limited
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FX Operations Manager

This is a challenging career opportunity for a young banker to make an important contribution to the continued success of a major British company. The task is to take day-to-day responsibility for the operation of a centralised foreign exchange section within the Finance Department of Beecham Group Limited and contribute to the further development of the Company's FX exposure management system.

Candidates should be graduates and/or AIB qualified, probably in their early thirties, and will already have had several years experience of foreign exchange operations dealing with

substantial industrial/commercial businesses operating internationally. They should also have developed the administrative and communicative skills necessary to establish effective working relationships at all levels throughout a diverse organisation.

We offer an attractive salary and a range of fringe benefits in line with other large industrial companies as well as scope for career development in an expanding function.

The above appointment is open to both men and women.

Please write, in confidence, with a detailed curriculum vitae, to:

Mrs. G. Risso-Gill, Personnel Officer,
Beecham Group Limited, Beecham House,
Great West Road, Brentford, Middlesex TW8 9BD.

Beecham Group

NEWAPPOINTMENTS!**AREA MANAGERS-Finance Industry**

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This means that our 25 strong Branch network will continue to expand steadily and we now need 4 Area Managers to lead by example; to take control of existing branches and to further the development of planned branch expansion.

Reporting directly to the New Business Director, the Area Managers will cover the following areas:

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| Scotland & N.E. | — based in Glasgow |
| N.W. & Yorkshire | — based in either Manchester or Leeds |
| West & East Midlands | — based in Birmingham |
| South of England | — based in Greater London or a 30 mile radius |

The Area Managers will be responsible for developing the Areas, Branches and Branch Staff to achieve demanding new targets and the Head Office will support them to the limit.

Candidates must have a full knowledge of the profession, a proven and successful track record—probably at Senior Branch or Assistant Manager level—and the ability to create confidence and respect at all levels.

In return we offer, in addition to the starting salary, a full range of professional Company benefits including car, mortgage facilities, pension, expenses and generous relocation assistance.

If you feel you can offer what we are seeking then write, in full confidence, presenting your personal portfolio to:

Peter G. Moon, Recruitment Advisor, F.C. Finance Ltd., Orchard House, 1 Orchard Lane, Huntingdon, Cambs, PE18 6QL Telephone: Huntingdon (0480) 55333.

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MEMBER OF THE FINANCE HOUSES ASSOCIATION

CREDIT ANALYST

REQUIRED BY

ITALIAN INTERNATIONAL BANK LIMITED

to assist marketing staff responsible for selected territories in the examination of new projects and the supervision of existing business.

Duties will include credit analysis, client liaison, preparation of reports and assistance with documentation. Occasional travel will be required.

The ideal candidate, aged 24-30, with a degree or equivalent professional qualification, will have had 2-3 years' experience in similar role in international banking. A working knowledge of the Spanish language would be a distinct advantage.

Salary negotiable with usual fringe benefits.

Please apply to:

Mrs Jeanne H. Ront
Personnel Manager
Italian International Bank Limited
P. O. Building
122 Leadenhall Street
London EC3V 4PT

**BURSAR required for
ABBOTSHOLME SCHOOL,
DERBYSHIRE**

In summer months after Easter, 1980. Salary related to the post.
Applicants must be over 21, married, with two years' experience
in running a bursary, preferably in a school.

Applications with C.V. to the Headmaster, Abbottsholme School, Rotherham, South Yorkshire S6 2SS. Please enclose a stamped addressed envelope.

It is expected that preferred applicants will be interviewed by the end of 1979.

Knowledge of financial and business publications preferable. Must be fluent in German and English and willing to travel extensively. Initiative and desire to succeed imperative. Applicants must be U.K. citizens or citizens of EEC country. Salary open plus bonus.

Denise C. Coleman
Institutional Investor (Europe) Inc.
28, Great Queen Street, London WC2B 5BB
Tel: 01-404 5232 or 01-242 9598

Knowledge of financial and business publications preferable. Must be fluent in German and English and willing to travel extensively. Initiative and desire to succeed imperative. Applicants must be U.K. citizens or citizens of EEC country. Salary open plus bonus.

Denise C. Coleman
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For details write direct or if you prefer through your accountant to Box G.4759, Financial Times, 10 Cannon Street, EC4P 4BY.

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K. Williams, H.C.C. Plastics, 110 Albert Street, Whistable, Kent. Tel: 0227-261294

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Write in confidence

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TO SUCCESSFUL YOUNG ENTREPRENEURS OWNING EXPANDING COMPANIES

A quoted group engaged in distribution and industrial development is looking for investment opportunities by the acquisition of a majority stake in small companies with a young and virile management interested in developing their companies and their own management skills with the benefit of public company cover. Scope up to £1 million plus, which should have reasonable asset cover and comparable profit record.

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THE ARTS



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I suppose that if you were told that Joint Stock's latest production was set in an English convalescent home for wounded soldiers in the First War, you might expect some sensitive account of the friendship of Siegfried Sassoon and Wilfred Owen in the Craiglockhart War Hospital. But David Halliwell's play is not about poets or even nightmare memories of the front line. It is a beautifully organised lament for golden summers with a concomitant resolution that things should be better after whatever it is they are fighting for has been achieved. And, thrilling away in the improvised ward of a Berkshire country house, is as good a study of class tensions as the theatre has provided of late.

Admittedly, the evening tails off a bit with spotlight characters mouthing hollow chestnuts like "I'll kill again, nothing changes" or "I never smoked before the War" or, even worse, "Perhaps women will make themselves fit when the War's ended." These last two remarks come from the Salford Sister (Marty Crickshank) who runs the hospital with a mixture of resentment towards her upper-class volunteer nurses and nonsense, surname treatment of the men. The unreformed killer is an aggressive little Scot (Brian Pettifer) whose catastrophic fit in the second act prompts a slow interrogation scene with a visiting officer. The boy yearns for the trenches but is committed to a London hospital, suffering from shell shock.

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The young Takacs-Nagy String Quartet from Hungary won unanimous first prize from the jury at the Portsmouth String Quartet Competition earlier this year. It is characteristic that the City Music Society—now in its 37th enterprising season—should have noticed them so soon. They are a vigorous, fine-grained ensemble; and for their re-appearance repeat, whose emphasis so much strengthens the development's harmonic surprise.

It was a performance everywhere of impeccable taste: even too carefully arboreal, perhaps, in some of the wilder gypsy music of the adagio; but the little splashes of contrapuntal colour in the two final movements were very deftly touched in, and the andantino especially keyed up with a lively spring.

A certain sense, at one or two moments, that the performance may still be a shade too close to the notes was nothing that time, and a few seasons' perspective, won't cure.

Next Tuesday at 6.30 the City Music Society are presenting the Takacs-Nagy Quartet again at Goldsmiths' Hall, this time with a full evening programme of Mozart's A major clarinet quintet (also with Kalman Berkes), the Haydn B flat quartet op. 76, and the Bartok no. 2.

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Record Review

The other 'Otello' by RONALD CRICHTON

Rossini Otello. Von Stade, Coombes, Fischella, Pastine, Ramey/Ambrosian Opera Chor./Philharmonia/López Cobos. 3 records in box. Philips 6769 023, £12.79 until January 31.

Haydn Armida. Norman, Burrows, Ahmijö, Leggate, Rolfe Johnson, Ramey/Lausanne Chamber Orch./Dorati. 3 records in box. Philips 6769 021, £12.79 until January 31.

Zarzuela. Spanish operetta arias. Carreras/ECO/Ros Marbá. Philips 9500 632, £5.95 (cassette 7300 780, £5.20).

The first complete recording of Rossini's *Otello* is an event. Written for Naples and for the famous singer Isabella Colbran who becomes the composer's wife, *Otello* is a transitional work in which *opera seria* can be observed merging into romantic opera. It has, however, more than historical importance: there is plenty of life and excitement left in the music, in spite of a framework bound to offend modern lovers of Shakespeare (as, at the time, it offended Byron and Stendhal). When he wrote the opera, Rossini is thought not to have known the tragedy, still untranslated into Italian. The librettist Berio seems to have overlooked his nominal model for the first two of the opera's three acts. For the last he came much nearer Shakespeare, adopting a plan which duly influenced Boito and Verdi. The change is striking.

For the first two acts one must forget Shakespeare—and Verdi—and concentrate on some brilliant, florid, captivating music with vocal writing of cruet difficulty. There are six tenors of whom (counting the off-stage gondolier, a brief but important role) four are principals. The single bass is Elmiro (Brabantio), Desdemona's father. This distribution, occasioned by the composition of the Naples company, gives the texture an tragic brightness. Since the orchestral writing has bursts of champagne effervescence there is a glinting, gilding effect not unlike Venetian glass—but removed from conventional removals of Shakespeare's *Otello*.

The moods are not only brilliant.

The first act has a lyrical duet for Desdemona and Emilia with a winding horn solo in the introduction and the voices alternately sighing in thirds and intertwining in soft rondades:

"eterno il suo dolor" there is a melting modulation. Twice the serious mood returns during

the first finale. In the second act, it becomes clear that Desdemona (Colbran's role) is musically the most fully-drawn character with remarkable passages of violent, desperate syncopation. *Otello* here is not much of a figure. As Stendhal noted, his "rages seem to betray nothing but congenital bad-temper—and what is worse still, bad-temper springing from wounded vanity."

The wounds were caused by Othello's returning triumphant from the wars to find that his beloved Desdemona (with whom he has some kind of understanding that may include secret marriage—the point is not clear) about to be wedded against her will to Rodrigo, the Doge's son. Rodrigo, during the first two acts, is as prominent as Othello if not more so: the part was written for the brilliant tenor Giovanni David or Davide. Iago, though he plots Othello's downfall (by means of a misdirected love-letter instead of a handkerchief), is subsidiary. In the third act we are in familiar territory, with Desdemona in her chamber trying to still her fears with an old song, Othello's stealthy approach, a duet (their only one) dramatically set against a storm raging outside, the murder (by knife) of Desdemona, the news of Iago's death and confession, Othello's suicide.

Desdemona's plaintive Willow Song (G minor, with harp obbligato) and her prayer in A flat bave, of course been recorded separately. They, or at least the Willow Song, seem to have been bugle popular in the middle years of the last century: I have just been looking through some bound songbooks of the 1850s in which the Willow Song comes three times in two volumes.

Verdi and Boito adopted the same general scheme in this act but did not try to cap one haunting effect of Berio and Rossini. While Desdemona is brooding before her song the voice of a gondolier is wafted through the window, singing familiar and all-too-appropriate lines from Dante—"Nessun maggior dolore." Liszt was to make nostalgic use of the episode in his piano-piece *Venezia e Nopoli*.

This *Otello* does not need a tenor on the heroic, Verdian scale (one sometimes wonders if the other one does, either). The writing is as demanding as anything in *La clementina*. José Carreras brings clean, virile tone, considerable agility

and a dignity which redeems the character's defects. In the last act his tone darkens in a new but entirely suitable way. Rage is suggested but lines are not blurred. Hard to think of any tenor today who would sing the role better. The *Desdemona* of Frederica von Stade is a delight for delicacy, depth of feeling and hypersexual moulding of the lacy ornaments. Even when the voice goes shrill towards the top it sounds right—as right in its own different way as the dauntlessness of the same singer's recent *Cendrillon*. The *Emilia* of Necci Condò matches her mistress well.

The supporting tenors, if one may say so without offence, are surprisingly good. Salvatore Fischella seems understandably a little nervous and hasty in Rodrigo's testing aria, but his voice is bright and true and flexible. The *Iago* of Gianfranco Pastine (the part is written for a lower tenor) is sufficiently well contrasted to stand out. Alfonso Leoz sings the melancholy gondolier, Samuel Ramey is Elmiro. In parts of the first act the Philharmonia's playing is a little dulled: later the full sparkle comes. Quite rightly, I think, Sioned Williams' barp obligato is in the foreground and not dimly tinkling in the distance. The conductor (and editor of the performing edition) is Jesús López Cobos, whose understanding and love for the score are evident. The intimate side, beautifully realised, is matched by some fierce outbursts, for example in the thrashing crescendos of the second-act finale and in the last-act storm. Warmly recommended.

Armida is the latest of the admirable series of Haydn opera recordings from Philips. This was the last (1784) of Haydn's operas for the princely audience at Esterhaza and the most successful opera to be given there in all those years of bustling activity. Since the score is unequal, one can't help fearing that the spectacle (sorceresses, nymphs, furies, crusaders, magic glades, transformations) must have had something to do with this. The work has certain features in common with Rossini's *Otello*: origin in a famous source (*Tasso's Gerusalemme Liberto*), a superabundance of tempos, and a last act stronger than what has gone before. But there the resemblance ends. Nobody has accused Rossini of lacking a sense of theatre. Haydn did not have the luck to possess

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There is good music but nothing outstanding until the third side, where Rinaldo the crusading knight has a long scene with the magician-seductress Armida. The second-act brings another big scene for Rinaldo, alone, a spiky aria for Armida which might have given Mozart a hint or two for the Queen of Night and, as finale, a splendid trio for Armida, Rinaldo and his chief chum-in-arms, Ubaldo. Yet while one has recommended other albums in the series because on disc the discrepancy between fine music and poor dramaturgy is less noticeable than in the theatre, with *Armida*, because it has a strong central theme, one doesn't feel this to be the case.

Even in the second-act finale and in the musical delights of the main scene of the third and last act, with the magic forest ravishingly painted in sound and the furies' scales vanishing into thin air as the crusaders march is heard in the distance, one suspects that such fine things as the two sad solo laments for Armida and her potential victim (with whom she has fallen passionately in love) must in the theatre hold up the action. The short final scene, accused by commentators of peremptoriness, seems to me deathly rare of Haydn's gauging correctly what was needed.

The performance, though there are many good features, may be partly to blame. Sometimes the usually whip-smart Dorati goes a little lethargic; in the long title-role Jessie Norman, while successfully scaling down her voice to suitable proportions, concentrates on a alemless, liquid line at the expense of the words. As Rinaldo Claes H. Ahnsjö, though he hasn't Miss Norman's majestic breath control, sings more than agreeably yet with touches of curate-like prissiness. That is also true of Robin Leggate's Ubaldo, though in this role such a fault is excusable. Anthony Rolfe Johnson as Clotario, another crusader, makes more of his words than most. As the Saracen king Idreno, Samuell Ramey sings beautifully but cannot supply the menace Haydn left out. Norma Burrows is charming in the delicious last-act aria for Zelmira, sultan's daughter posing as wood-nymph. Now, please, some Gluck for Jessie Norman, and why not his *Armida*, a far richer and more dramatic musical telling of the same story?

The news that Carreras had made a record of *Zarzuela* excerpts with the ECO and Ros Marbá conducting raised hopes not entirely fulfilled by the result. The effect is much the same as in most Spanish recordings of the type. The singer's tone is splendid, but vulgarly magnified, with a minimum of variety. In the swimming-bath acoustic (Madrid or London?) the soaring sounds strident—and this in music which we are always being told is popular in the best sense and intimate, too. The most interesting number is the Romance from *El casero* by the Basque composer Guridi. The Serrano songs are lively. The "Jota" from *Chapis La bravo* could almost go as it stands into Walton's *Façade*.

The Big Band Bonanza was goldenly topped by the Gerry Mulligan Concert Big Band. Though smaller than the others (a mere 14) Mulligan's comprises mostly young unknowns. It concentrates on compositions which have much textual depth and interest. Mulligan clearly has a strong guiding influence on all the charts and how they are played (the reed section numbers, five when he joins them) and his two sets (he also played in the evening) were full of delights. Not least of these was his own ever mobile, ever virile baritone-sax playing, now supplemented by his no mean facility on soprano.

The band's repertoire is wide-ranging in form and content and significantly includes Duke Ellington numbers. "Significantly" because it is obvious that as composer, arranger, musician and communicator Gerry Mulligan has qualities not unlike those of Duke.

KEVIN HENRIQUES

Logan Hall

Benvenuto Cellini

On Tuesday the Chelsea Opera Group brought their concert version of Berlioz's *Benvenuto Cellini* to the new Logan Hall, in the University of London. The acoustic there proved to be clear and dry, not very flattering: the sheer trio of the performance under Roger Norrington won through over many small imperfections of balance and ensemble. Even in the simplified Weimar score that they used (Berlioz revised the opera, some 17 years after its troublesome premiere, for performances under Liszt), the palpable rhythmic hazards are daunting—not to mention the pitched electrical hum that continued in the auditorium throughout the evening.

Promisingly the Chelsea choice of the Weimar version was prompted by its brevity, or both. It still occasioned regret: the climactic last act with the casting of the Persons statue, is much more strongly shaped in the original, and Chelsea's Cardinal (the Parisian censor insisted upon demoting him from his intended papacy) was so impossibly rendered by Harry Coghill that one resented the shrinking and flattening of his role. And

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Norman Beaton

Royal Court

Sergeant Ola and His Followers

In his new play, David Lan explores the very basis of anti-colonialism, and he is driven by the conclusion that feels he is often with the subjects as with the settlers. Unless, of course, he believes, as some people do, that primitive peoples should be allowed to rest in their simplicity. When I was in Botswana, official policy was that they should be assured of a water supply, and left alone. I told a Tswana information officer of this and he was indignant. "They can't be left in darkness!" he exclaimed.

David Lan deals with the equally primitive natives of the north coast of New Guinea, who believe, at the period when he first introduces them to us, in 1945, that their ancestors will bring them ships full of "cargo," or white men's wealth. The white men, Australians in this case, teach them that their ancestors are not the birds or the fish or the bees that they believe, but Adam and Eve, and that, if they work like whites—build their houses in straight lines, keep their pigs in pens, dig latrines, confine themselves to one wife each—progress will be their reward.

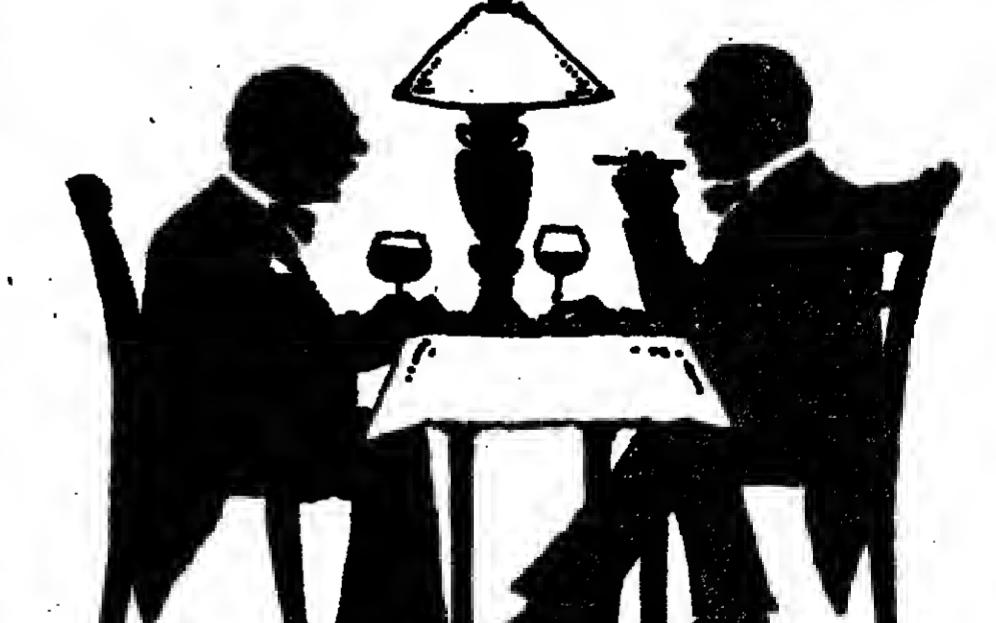
So the natives, who have not the faintest idea what they are being told, put on collars, read the Bible, salute the flag, and sit back to await a reward of "cargo." To make things worse, they are told different things by different people. Scoville, the Australian (Will Knightley), is only interested in getting them to work on the plantation, where their reward will be pay, not "cargo." His second-in-command, Sergeant Ola (beautifully played by Norman Beaton), promotes the white doctrine but with little more understanding of it than the local people. And wandering through the jungle is the native witch-doctor, Makis, whose gospel is that everyone should destroy his house and kill his pigs so that the ancestors—the real ancestors, not Adam and Eve—should see how poor they are and rescue them with "cargo." This will arrive not in ships, but in aeroplanes, for which the villagers begin to build nests.

There is a faint narrative line, but really the play is romanticised documentary. I found it interesting and often very funny, though I felt ashamed of laughing at such simplicity. The inevitable conclusion is the arrival of democratic politics and, of course, the triumph of industry, and I felt instinctively that this was wrong, that I would have preferred the natives to be "left in darkness."

I doubt, however, if the New Guineans would agree with me, now that they have been introduced to the luxuries of store goods—all the "cargo" they are likely to see for some decades yet. The production is by Max Stafford-Clark and seemed to me to need a little more work, though it is hardly the director's fault that the New Guineans natives should be such a remarkable ethnic mixture.

E. A. YOUNG

Individual service necessitates an individual banker...



DAVID MURRAY

FINANCIAL TIMES

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Thursday October 25 1979

Unfinished business

THE REVOLUTION in our example through reactivating financial affairs which took the use of special deposits, place just over 24 hours ago is the end of one road, but the beginning of another. The "progressive" dismantling of exchange controls has come to its logical end with remarkable speed; but the change may now leave domestic institutions which have grown up in four decades of monetary isolation looking dangerously exposed. This especially true of current methods of controlling the money supply—the cornerstone of the present Government's policies.

Loophole

Two potential weaknesses are now obvious. First, the "corset" control on the growth of interest-bearing bank liabilities, and thus on the growth of bank credit, is clearly unlikely to be effective if it comes under strain. The abolition of exchange controls means that business can easily be directed to offshore markets. Any long period of constriction through the corset would simply create a Eurosterling loophole analogous to the Luxembourg gap in the German controls or the Eurodollar gap in the U.S. system. This does not mean that the system would become wholly ineffective; current events in the U.S. show that the authorities there can create an acute shortage of funds despite the potential relief available from offshore markets. It does mean, however, that after any period of squeeze the significance of the UK money supply figures, which record onshore banking business, would be blurred.

Given the past record of sterling and of the UK economy, doubts about the money supply figures could soon undermine the confidence which the Government has proclaimed as the basic support for the exchange rate from now on.

Distortions

It therefore seems likelier than ever that the corset system as a whole has reached the end of its useful life—a view which was in any case increasingly held in official circles. Its abolition would at least ensure "clean" monetary statistics. However, this would simply shift attention to other problems. First, there might be quite a rapid unwinding of the large volume of acceptance credit which has resulted from the restrictions. This would remonetise this credit, and so pose a challenge for policy. Simple reserve asset pressure on the banking system, for

INTEREST RATES

THE END OF exchange controls has removed a major barrier between capital markets in the UK and those overseas. Consequently, the change has wide-ranging implications for the current system of monetary control and for the pattern of interest rates.

At present the government attempts to influence the domestic money supply through devices such as the corset which restricts the growth of the banks' interest-bearing deposits. But in future, if the banks face pressure under the corset controls, their customers will be able to borrow abroad in sterling from the branches of UK banks. This is similar to the U.S. position. If this occurred on a large scale it would make a nonsense of the figures for domestic monetary aggregates and of the official target range.

Considerable costs would be involved both in setting up and using such offshore facilities.

But there may be no great incentive to do so over the next few months since the banks are not under any great pressure from the corset and bank lending is expected to grow more slowly next year. The Bank of England is, however, keeping a close watch on the position and several City commentators were already urging the need for an urgent review.

LONDON CAPITAL MARKET

London banks active in the Eurocurrency markets last night were considering the implications for arranging sterling loans for overseas borrowers as a result of the abolition of restrictions on this type of business.

The general feeling was that banks would probably soon put together small sterling syndicated credit to test market response. A £20m-£25m loan for five years, perhaps to one of the large country borrowers such as Brazil and Mexico which are seeking to diversify their sources of borrowing, was mooted as a possibility.

As a result of the Volcker credit crunch in the U.S., sterling interest rates are presently lower than those for the dollar. This makes sterling loans attractive so long as borrowers are not put off by the prospect of the pound appreciating in its "petrocurrency" role.

A marked increase in foreign government borrowing of sterling for other than trade purposes would probably soon force the UK authorities to revise their position on holding down the volume of sterling balances held by overseas central banks.

But many bankers caution that a speedy increase in foreign lending is unlikely as long as the Bank of England's strict corset controls remain in force. "Unless domestic loans drop off drastically owing to the

recession, there will be a shortage of funds for foreigners" was one comment.

British merchant banks are also investigating the increased opportunities which now exist for arranging sterling bond issues for foreign borrowers.

Following the reopening of the Eurosterling issue market in 1976, borrowers had previously been restricted to companies investing the proceeds in the UK.

There is also increased scope for UK banks and institutions to participate in foreign currency placements. The complete abolition of exchange controls may well release pent-up British investor demand for Euro-dollar bond issues.

INSTITUTIONAL INVESTORS

UK FUND managers will have to re-appraise their entire portfolio strategy in the new circumstances. The relaxation of exchange controls in July allowed them to buy shares at the official rate in most securities denominated in the currencies of other EEC countries.

But these are not the markets in which UK investors have traditionally been interested.

The freedom to buy shares on Wall Street and the Far Eastern exchanges represents

a far more important change. A recent report showed that investment trusts had on average 55 per cent of their assets in UK equities, 24 per cent in North America, 8 per cent in the Far East and just 2 per cent in Continental Europe.

The dearth of the dollar premium has brought real losses to the investment trusts. Earlier this year the premium represented 8 per cent of their assets; by Monday, it was down to 1 per cent.

Most other institutions have a much lower exposure to overseas equities. The insurance companies and pension funds probably only have about 3 or 4 per cent of their investments in overseas equities.

Any significant increase in this proportion would divert substantial sums away from the UK market. Phillips and Drew estimate that it would cost £600m to increase the overseas equity content of the insurance and pension funds to 10 per cent, compared with their likely cash flow of around £10bn this year.

All the same, the opening of unrestricted investment opportunities around the world seems likely to have some effect on the balance of supply and demand in the UK capital market. It will certainly make the fund manager's job a lot more demanding.

UK COMPANIES EXPANDING OVERSEAS

WITH ONE major exception, the abolition of exchange controls will make little difference to UK companies that want to expand overseas. Just about all the old constraints had already been abandoned. So long as they received prior approval from the Bank of England—which was all but automatic—companies were already free to do almost anything.

The one big change is that it will now be possible for UK companies to bid for overseas businesses and issue their own shares as payment. Until now, such offers would have brought a potential liability to the dollar premium.

To make such takeovers possible, overseas vendors will have to be receptive to the idea of accepting UK equities in return for hard assets. In practice this is likely to limit the

name of the particular local subsidiary. For example, NatWest's dollar bank accounts might be in the name of its US subsidiary, National Bank of North America. None of the big clearers was prepared to quote what the costs of having foreign currency accounts would be—other than the fact that they were likely to be higher than those for sterling current accounts. Interest rates on deposit accounts would bear the local rate of interest of the particular country's currency.

Radical changes are also likely among London commodity trading companies, who have been fettered by exchange control regulations ever since the futures market reopened after the Second World War.

They will have to adjust to far more international trading and competition, but will have the considerable benefit of being able to move money around much more freely without the previous ponderous banking procedure.

The City's merchant banks expect increased competition from banks operating offshore.

The London discount market could also see considerable change. "Discount houses can now buy bills drawn on any company in the world," was one comment.

GOLD

MEMBERS OF the public thinking of buying gold bars may not find the process as easy as it may seem. Bullion dealers Samuel Montagu pointing out that the cost of a 400 oz bar was now £75,000—said it was not really interested in small personal orders. Rothschilds, another gold dealer, affirmed that in theory people could now buy gold. But it also urged caution. "We're not really ready for such an eventuality," an official commented.

For those who want to hold gold in physical form, however, Krugerrand coins seem to be the best bet at the moment because they sell at a premium of only 3 to 4 per cent above the value of their 1 oz gold content, and because coins are not subject to value added tax.

The position regarding VAT on bullion is not yet clear. Until yesterday it could only legally be purchased by specified dealers and carried no VAT liability. Whether it will remain zero-rated for VAT is a moot point in view of the fact that VAT at 15 per cent is levied on purchases of platinum and silver in physical form.

Plans to start a gold futures market in London have received a considerable boost. The London Metal Exchange earlier this month formed a special committee to study the possibility of starting such a market. But the ban on UK citizens trading in gold bullion was recognised to be a major obstacle that has now been removed.

The attraction of gold futures markets, that have been very successful in the U.S., is that the investor (or speculator) can trade in gold on margin—normally only 10 per cent of the total cost. This enables a great many more people to deal in gold who would otherwise not be able to afford to do so.

UK citizens are now also able to trade freely in gold futures and bullion in all the major centres from Zurich and Hong Kong to the big futures markets in New York and Chicago.

MINING SHARES

For the market in overseas mining issues, the most important aspect of the lifting of UK exchange controls is that it should benefit investment sentiment by simplifying the mechanics of an overseas purchase and by removing the uncertainties created by the old investment dollar premium.

Many small investors were deterred by a simple lack of understanding of how the premium worked. Others felt that there were uncertainties enough in mining investment without adding to them the possibility of losing a large part of their capital through selling shares when the going rate for the premium was much lower than at the time of original purchase. At times they could have lost anything up to one-third of their capital.

The removal of the dollar premium will also make it simpler and cheaper for UK investors to follow up "rights" and other offers made by overseas companies. Australian issues, for example, are often in the form of partly paid shares on which calls for further funds are made from time to time.

COMMODITIES

UK CITIZENS will now be able to trade in a whole new range of commodity markets worldwide. The U.S. futures exchanges, in particular, offer a bewildering variety of domestic and international markets in Chicago and New York.

These commodity exchanges have also developed fast growing markets for futures trading in financial instruments, including interest rate bonds and foreign currencies.

It is anybody's guess as to how

The end of exchange controls: what it means to whom

BY FINANCIAL TIMES REPORTERS

A re-adjustment for sterling

THE pound has fallen by four cents since the removal of all remaining exchange controls was announced on Tuesday afternoon. Earlier partial relaxations had initially been followed by a rise in sterling as capital flowed into Britain because of renewed external confidence in the UK. On this occasion the markets have moved to anticipate possible capital outflows which may build up quickly as a result of the changes. But the pound quickly stabilised after it became clear that the authorities did not want to see the pound fall immediately as a result of the changes.

In the long term, the removal of controls should mean that sterling will be lower in value than it would otherwise be; this should be the result of larger capital outflows. And this may help to take some of the competitive pressure off industry pro-

duced by the rise in the pound this year, as reflected in the concern expressed by members of the Confederation of British Industry ahead of their annual conference next week.

The trading position of British industry should also improve as increased capital outflows are likely to be matched by an improvement on the current account of the balance of payments. This is because when sterling is floating the current account is virtually the mirror image of the private capital market. Indeed, at a time when earnings from North Sea oil are rising, an increase in capital outflows is the only way to prevent a deterioration on the non-oil account and a consequent erosion in the competitive position of industry. As a recent Chatham House paper from two Morgan Grenfell economists noted, "if the UK does not export capital it must export jobs."

field to the leading UK blue chips, and to the most developed capital markets. The U.S. is the obvious example.

A takeover bid for a U.S. public company would almost certainly oblige the bidder to seek registration with the Securities and Exchange Commission. This is a costly and occasionally painful exercise and only a handful of UK companies are so registered at present.

THE BANKS

LONDON BANKERS were still very confused yesterday about the precise impact of the removal of exchange controls. "No one knows what it was like when we last had no controls, so it will take time to adjust to the new situation," commented Barclays. It also appeared that the announcement had caught most banks by surprise. "I am sure we have planned for this, but I have yet to find the man who did it," was a typical comment from the other clearers.

Individual banks were even uncertain how many staff the clearing banks were employing in exchange control departments—though one of the bigger clearers maintained, rather surprisingly, that its central department amounted to only one full-time manager, a secretary and a part-time assistant. In this particular case it may be that many people in other departments had particular exchange control responsi-

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ECONOMIC VIEWPOINT

The launching of the Petro-Pound

EXCHANGE CONTROLS have existed for the whole adult lifetime of most British citizens. The effects of their abolition are likely to be as revolutionary as they are unpredictable. Full marks for once to the team of Treasury Ministers—although I doubt if most of the Cabinet can have any idea of how profound a transformation they were approving.

From now on UK residents can choose whether to hold sterling or foreign currencies. The same choice will be available to foreigners. British subjects will be able to make contracts and settle debts in foreign currencies. Foreigners will be able to do the same in sterling. In other words, sterling will have to prove itself in competition with other currencies. Mrs. Thatcher recently described sterling as a petro-currency and on Tuesday it was launched as such.

Essential task

The change will be born without making only if it sticks. If markets fear that a high miners' pay settlement, a Middle East crisis or a change of Government will bring back exchange controls then the move will indeed be destabilising. The Government's task is to make the new petro-currency so successful that it will be as unthinkable for Mr. Healey, if returned to office, to contemplate bringing back exchange controls as it already is for him to contemplate a reversal of the VAT increase.

At a stroke, the abolition of exchange control will set in motion forces bringing the rate of return on capital in the UK into line with that abroad. Companies which cannot make the international grade will no longer be protected by the locking in of investors to the

domestic market. Companies which base their policies on non-inflation adjusted cost estimates, and government policies such as price controls—which artificially reduce the return on capital, will alike come under the severest pressure for reversal. The move should be good, not bad, for employment provided that the unions do not prevent the shift to profits that is likely to occur in the medium term. The way to avoid this is not exhortation, but moves towards more competitive labour markets as well as currency markets.

The behaviour of the new free pound will provide an excellent guide to monetary policy, which will cut through all the arguments about which definition of money to look at, or which control mechanism to use. If sterling slips, there will be no shortage of suggested *ad hoc* explanations, such as a bad trade figure or a strike. But the true reason is likely to be the excessive creation of pounds.

If the British Government wants a lower rate of inflation (in traded goods) than the world average, its monetary policy will be directed towards appreciation. If it is prepared to tolerate faster inflation, it will allow sterling to depreciate at a rate limited by the inflation differential. It is prepared to tolerate.

Already one can point to some of the changes that will be required. For instance, the justification for excluding overseas sterling deposits from money supply calculations will be even thinner than before—overseas sterling deposits have in fact grown by £1.7m in the first nine months of the year. In setting monetary objectives, world as well as British demand for sterling will have to be taken into account. These are not

arguments against a medium-term monetary plan, which can be changed in its definition and numbers, as experience is gained, so long as its basic objectives are adhered to. Indeed such a plan is more than ever necessary if the new petro-pound is to get off to a good start.

The obsession with the trade figures of the current account ought to become a thing of the past. The attractiveness of sterling is what will count, irrespective of whether the demand for it comes from buyers of British exports or ships switching out of dollars.

This will mean the resurgence of sterling as a reserve currency, which may encourage the mark and the yen to take up their reserve responsibilities as well. A substitution account to enable currency holders to convert into Special Drawing Rights will be a moderately useful safety net, once it has been decided who should bear the cost of the implicit currency guarantees. But SDRs cannot replace other currencies so long as they are a funny central bank's money which cannot be used to buy goods which people want to have.

Another implication is that the UK now shares the U.S. and German interest in preventing a pyramiding of Euro-currencies from creating unintended increases in the effective money supply. If the main trading countries co-operate to impose reserve ratios on the combined operation of each bank, and in whatever currency it operates, it is extremely unlikely that banks in Kuwait, Tangier or Fiji will be able to undermine the system. Time will be at least gained for central banks to shift over to a monetary base control and to operate on reserve ratios

chosen by the banks on prudential grounds rather than imposed on them by authority. Bold spirits will want to move to this wider freedom in one fell swoop; but the first step in my view is to apply monetary policy to "Euro" as well as domestic operations. Here is an area where the exponents of international co-operation can have a field day and forget about the EMS, "locomotives," "convoys" and the other slogans of the recent 1970s.

FRANCE: NO MODEL

COMPARISONS are frequently made between Mrs. Thatcher's economic policy and that of M. Raymond Barre, who became French Prime Minister just over three years ago. But a short visit to France is sufficient to show that the differences are greater than the similarities.

The begin with, the French economy has behaved very differently to Britain's. While the British inflation rate has soared to above 25 per cent, fallen back to 8 per cent and temporarily to 16 per cent, the French inflation rate has remained wedged around 10 per cent for as long as any one can remember. It rose temporarily to 14 per cent during the oil crisis of 1974 and in the last six months has risen to 13 per cent again. But the Government seems confident that it will not be much more than 11 per cent for the year as a whole.

The first half of M. Barre's term of office was devoted to resisting pressures to increase the Budget deficit and the money supply. In the second half, following the surprise victory of the Gaullist Coalit-

ion in the Parliamentary elections, he has introduced structural reforms, including the abolition of price controls, but on industrial products only. The French Budget deficit is smaller than that of many other countries as a proportion of national product—although the official figure of less than 2 per cent may not be fully comparable with Britain's. Money supply growth at a little under 15 per cent is geared to roughly the present inflation rate.

M. Barre has come under pressure both for excessive laxity and for not being expansionary enough. His Gaullist "elites," who have just voted down key provisions of his 1980 Budget (presented in October, UK Treasury please note) have made the two criticisms simultaneously. Unemployment has risen throughout the Barre period to 1.4m.

French officials to whom I spoke were reluctant to look at the labour market for the causes of joblessness. Factors such as a mysterious rise in import penetration, the lack of North Sea oil or the slow growth of world demand are all blamed. But although this analysis is a bit like that of Cambridge, the present French Government will have no truck with the Cambridge remedy of import controls, which it is sure would provide all the wrong signals for French industry. The actual reason why French unemployment has risen is almost certainly because the real cost of employing labour is too high.

But this is more to do with the non-wage costs faced by French employers than the activities of unions—which in the private sector are weak and conveniently divided on sectional lines. Contrary to popular myth,

French governments tend to be more pragmatic than British ones. No doubt M. Barre himself is more sympathetic to market forces than most of his officials and advisers (one point in common with Mrs. Thatcher); and it was extremely unfortunate that just as the Press campaign against him was building up, he had to take a few days off for a minor medical check-up. But the main emphasis of the Elysée is on technology rather than economic policy.

An illustration of the great difference in intellectual climate is the contrast in the meaning of the term "New Right". In the U.S. and Britain it tends to convey, among other things, an attachment to market forces, with which old-style Conservatives feel uneasy. In France the New Right which has arisen among young intellectuals is anti-capitalist, anti-American, anti-materialist, and mainly concerned with heroic leadership and national cultural revival.

What interested me particularly was how the French Government succeeded politically in running a wage policy without price controls. In reply to my question a lot of emphasis was placed on the absence of numerical norms. The current doctrine is that wage increases should not exceed price rises by more than a couple of percentage points—and next year by less because of oil. This is however easily translated into an 11 per cent norm. More significant is that French employers are accustomed to taking a lead from the Government. Although a few small firms in Brittany were cut off the government contracts list for paying excessive wage increases, the actual use of sanctions is very rare. In France, government controls are not regarded as particularly left-wing or anti-business. Indeed frequently they are pro-capital.

In contrast to the British case, M. Barre does discuss economic policy in detail with union leaders—hoping for decisive acquiescence in the public sector where the unions are much stronger than in the private one. The unions' main

points are that there must be no fall in living standards, that preference in pay increases should be given to the lower paid, and that the Government should boost demand to prevent recession. Ministers do not argue these points in theory but make haste slowly in their application as the very modest proposed increase in the Budget deficit indicates.

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Meanwhile, there is an unresolved contradiction between the French commitment to the European Monetary System and the practice of settling for a higher rate of inflation than Germany's. The recent small realignment of EMS exchange rates is blamed on the dollar's troubles, which set off a run into the mark. Looking ahead it is claimed that higher interest rates and occasional further realignments will avert trouble. But French wholesale prices have in the past had to jolt in relation to German ones, when measured in a common currency, to maintain overseas balances; and France does not have North Sea oil to enable her to make a break with past trends.

Their themselves point to a number of French industrial enterprises allowed to go bankrupt in the last few months, although it is fair to reply that the origins of recent difficulties of the French steel industry in Lorraine lie partly in subsidies intended for investment which were diverted to the support of loss-making enterprises.

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Samuel Brittan

Letters to the Editor

High interest rates

From Mr. J. Maltby

Sir.—In all the current discussion on economic and monetary affairs, I find it surprising that so little attention is given to the impact of high interest rates on inflation and on the level of industrial investment.

I do not speak as a professional economist but rather as one who is acquainted with the practices of business and the frailties of humanity and seen from this point of view the results of high interest rates do not in my opinion bear out the theory behind them.

Most business activity in this country is financed, in so far as working capital is concerned, with borrowed money. At the margin this is generally short-term and its cost therefore reflects the prevailing minimum lending rate. Whatever the level of interest rate being charged in the short- to medium-term a business has very little alternative but to continue to borrow if it is to hold stocks or purchase raw material and components. Of course every company can improve its cash control to some degree but this is only relative. In general the cost of working capital is passed on down the chain to the ultimate consumer and high interest rates add a big cost throughout the economy.

A similar situation arises when industrial investment is being considered. This is normally justified on the basis of the high return that can be obtained from the investment being contemplated. Since on many occasions large purchases of equipment and construction of buildings are involved, with the land frequently only on a long lease, such investment only has a value so long as it is productive. Unlike property it cannot be expected to appreciate with the falling value of money.

If risky investment is to be justified against alternative uses of financial resources, or the cost of borrowing, an exceptionally high return has to be expected.

I submit, therefore, that high interest rates are themselves a major contributory factor to inflation and a disencouragement to investment. At present we have an international system where each government is raising its minimum rates to protect itself against higher rates elsewhere. Would it not be wise to suggest that a simple solution might be for the ten largest economies all simultaneously to halve their respective prime rates, discount rates, minimum lending rates, etc. Just in case this prompted a rush of hasty borrowing by people who feared that rates would rise again a concurrent commitment should be entered into to cut the rates further a month later.

Surely it can be no coincidence that, historically, low interest rates have been coincident with low inflation. The fact that in those times there was also high unemployment must be irrelevant. We have that already.

J. N. Maltby,
1, Aldgate, EC3

ing graduates for employment. I only wish we had the resources to collect information which would enable him to do it reliably.

The information published at present is intended only as an approximate indication to the impact of high interest rates on the collective performance of Universities. It is also useful to career advisers as a rough guide to the state of the graduate recruitment market. As Mr. Dixon acknowledges, it is not intended to enable comparisons to be made between Universities. If that were the intention, the collection of information would have to be more tightly controlled and audited, and in consequence the procedure would cost much more.

No doubt my friends at East Anglia mutter that my rate of graduate unemployment is lower than theirs because I don't inquire too closely if I suspect a graduate is unemployed (I deny it of course). Equally I might mutter that my friends at Brunel achieve a low rate of unemployment by listening to the wildest rumours about their graduates' jobs and recording them as fact. This is all good clean fun because we understand the limitations of the survey we carry out literally in our spare time and at negligible cost to the taxpayer.

But if there were any danger of the Government withdrawing financial support from Universities at the bottom of Mr. Dixon's table, I should immediately demand an independent audit and a han' on hearsay evidence. In these circumstances the comparisons would begin to mean something, but it is questionable whether the results would justify the extra cost. The more time we spend on chasing last year's graduates the less we have available for putting next year's in touch with employers.

W. W. Sweet,
Furness College,
Bailrigg, Lancaster.

Third London airport

From the Chairman,
Defenders of Essex

Sir.—One disadvantage of being the sole coastal site of six under active examination for the third London airport is that the inland sites have so many more pens to write in their defence. The same points are made ad nauseam and mostly inaccurately when Maplin is written about.

Representatives of four of the sites—Hoggeston, Stanstead, Langley and Yardley Chase—all advocate Maplin with little reliable argument to bolster their case and threaten dire political retribution if it is not accepted. We prefer to rest our case on the facts, assessed and accepted, and are content to let the wider public come to a fair decision on this most difficult problem. Let no one misinterpret this as weakness.

Stansted is most advantageously situated as regards the two motorways, the M11 and the projected M25—is this not of considerable importance in respect of the TLA? The only reliable data concerning comparative losses in the value of agricultural products between the various sites were those given to Roskill by Professor Whiberry of the National Farmers Union who put Maplin (possibly as it then was) as the most valuable of all the sites. It is not surprising that this is not mentioned by those against the inland sites.

Financial Times Thursday October 25 1979

Employment of
graduates

From the Senior Careers
Adviser,
University of Lancaster

Sir—I approve Michael Dixon's attempt (October 23) to compare the success of the various Universities in preparing

natural gas (SNG), so that gas will continue to be available as long as the feedstocks for SNG, oil or coal, are being produced.

British Gas—not in fact, the Gas Council—can justifiably claim to lead the world in SNG technology, using oil or coal as feedstock. SNG plants using our technology are in use in Japan and the U.S., making SNG from light oil fractions. We have successfully extended our research programme to develop SNG processes to deal with heavier oil, and we think that SNG produced from a wide range of feedstocks could play a valuable role later this century in topping up North Sea gas supplies to meet peak demands in winter.

In the longer term, SNG will probably be made from coal to supplement and then gradually replace gas from the North Sea. The long experience of the British Gas industry in coal gasification has been put to good use; so that British Gas also has the advanced technology necessary for producing SNG from coal. We have proved the practicability of this process at Westfield in Scotland, where a plant originally built to make the old town gas has been converted to making SNG using the slaking gasifier developed by British Gas. Here we have successfully produced SNG from a wide range of coals. We have also distributed SNG to consumers in the vicinity of the plant, without them being in any way aware that they were using substitute natural gas, and not the real thing from the North Sea. Some of our research has been sponsored by U.S. energy interests, and it is possible that a commercial SNG plant, using our technology, may soon be built in the U.S.

The research carried out by British Gas has provided the gas industry and its customers with a long-term insurance policy. The slaking gasifier of about 70 per cent compared to just over 30 per cent for thermal power stations. So, when natural gas from the North Sea and elsewhere round our coasts begins to decline, one day it must substitute natural gas will be available to take over, enabling the industry to continue to provide a reliable and economical gas supply.

A. J. Vinegrad,
59, Bryanton Street, W1.

Shareholder power

From Mr. A. Hutchins

Sir.—Mr. Malcolm's claim (October 22) that other institutions support Prudential Assurance in its action against the chairman of Newman Industries is of doubtful relevance. These institutions have not offered support in the role of shareholders of Newman Industries. They are not members of the company, and it is not their quarrel; or, if they think it is, let them bring their own actions for any damage they feel they suffered.

If, as I believe, there are no grounds for outsiders to take legal action, then it is an internal matter between members of the company. One would expect that any aggrieved member would consult with the other members with a view to obtaining a majority consensus for action to rectify the grievance. If such support had been obtained in this case, there would be every right to claim as Prudential Assurance has

in Germany through the profit motive. Such intervention is possible because French planners are more insulated from political pressures than their British opposite numbers. They are very hostile to ventures such as British Leyland support which they argue gives "industrial policy" a bad name in argument with the Germans. They themselves point to a number of French industrial enterprises allowed to go bankrupt in the last few months, although it is fair to reply that the origins of recent difficulties of the French steel industry in Lorraine lie partly in subsidies intended for investment which were diverted to the support of loss-making enterprises.

GENERAL

UK: Lord Carrington, Foreign Secretary, speaks at Foreign Press Association luncheon, Savoy Hotel, London.

Overseas: Mr. Roy Jenkins, President European Commission, begins visit to Egypt for talks with President Sadat.

Referendum on an autonomy proposal for Spain's Basque region.

European Parliament in session, Strasbourg.

Official Statistics Energy Trends publication, Institutional Investment (second quarter).

Parliamentary Business House of Commons: Bees Bill, Prince Charles presents

Today's Events

"Young Engineer for Britain Awards" Wembley Conference Centre.

Overseas: Mr. Roy Jenkins, President European Commission, begins visit to Egypt for talks with President Sadat.

Referendum on an autonomy proposal for Spain's Basque region.

European Parliament in session, Strasbourg.

Official Statistics Energy Trends publication, Institutional Investment (second quarter).

Parliamentary Business House of Commons: Bees Bill, Prince Charles presents

second reading. Opposed private business, 7 pm.

House of Lords: Laboratory Animals Protection Bill. Debate on avoid to curtail services of the BBC's overseas broadcasting services.

COMPANY MEETINGS Aerocautical and General Instruments, 40, Purley Way, Croydon, 12, Armstrong Equipment, Waldorf Hotel, W. 12, Burns-Anderson, Midland Hotel, Manchester, 12, Hume Holdings, 13, St. Swithin's Lane, EC 12, Maynards, Vale Road, N. 11, Gordon J. Saville, Midland Hotel, Birmingham, 12, Smith Brothers, Institute of Chartered Accountants, EC, 12.15, Television Coonagh Rooms, W. 12.30.

In Korea, where our branch in Seoul has been offering full banking services since 1968, longer than any other British based bank. Like all our offices, Seoul deals direct with any of our 1500

UK COMPANY NEWS

TR ahead midterm but warns on second half

FOR THE first six months of 1979 the taxable surplus of Telephone Rentals has increased from £4.95m to £5.4m on turnover ahead from £16.47m to £18.6m.

In June the directors reported a record annual profit of £10.92m and looked forward to a successful year in 1979.

However, they now say that the engineering dispute has severely affected not only the majority of the group's suppliers, but the ability of the installation staff to work on customers' premises.

They say there will therefore be a substantial shortfall in completions in the second half with a consequent adverse effect on profitability.

A reasonable outcome for the full year is anticipated, in the prevailing circumstances.

From earnings of £6.65p (£1.12p) per 25p share, the interim dividend is raised to 1.8p (1.75p), costing £698,583 (£865,596)—last year's final was £801,789.

Results for the first half were adversely affected by the transport strike and bad weather, together with the delay in recovering increased costs pending the abolition of the Price Commission.

New industrial business secured during the first nine months of 1979 shows an impressive increase, directors state, although new sole business taken is slightly less than the record figures last year.

Some falling off, however, in the rest of the year is expected, in view of the current UK industrial climate.

The directors state that while the Government's intention of relaxing the Post Office monopoly for subscribers' telephone apparatus and related attachments is welcome, they say it is not possible to evaluate what benefits are likely to accrue if the company until full details are known together with the time-scale involved.

	Six months	1979	1978
Turnover	£16,600	15,468	£15,000
Rental	10,200	9,300	10,000
Sales and other	2,028	7,124	1,896
Depreciation	2,152	1,896	2,050
Pre-tax profit	5,401	4,976	5,000
Tax	2,799	2,579	2,602
Net profit	2,602	2,397	2,397
Minority interest	18	23	18
Attributable	2,584	2,374	2,374

*Amended to reflect foreign exchange rate variations during 1978.

comment
The share price of Telephone Rentals has been looking vulnerable to bad news recently, and yesterday's board statement swept 25p off the price, leaving it at 15p. The interim figures were almost respectable, showing a pre-tax profit rise of 5.5 per cent, but the statement com-

HIGHLIGHTS

The City of London began reacting yesterday to the shock news on Tuesday of the abolition of exchange controls. There was a severe shake-out in both gilt-edged and equities, although sterling held steady. Lex also looks at the reasons for the reactions by the markets and considers the changes in the financial institutions and how the system of monetary control may be affected. On the inside pages comment is made on the results of Telephone Rentals where a modest rise in profits sparked off a dramatic fall in the shares. London and Northern's interim figures are pointing the way to around £12m for the year, while other companies of note include Newman Industries, Rotherham, Wm. Low, Gemme, Burrell, Coates and MY Dart with a rights issue.

Inchcape sought a catalogue of woes. To reinforce the message, it is "looking strongly" at South America, where it now has small joint ventures in Brazil and Venezuela. He said the company is particularly interested in expanding into Mexico and Chile.

Ricardo spending £1.5m

IN THE current year Ricardo Consulting Engineers aims to spend £1.5m on its new building and re-equipment programme. This will be financed from the £1m raised by rights issued in 1978 and through available bank borrowing facilities, says Mr. D. Downs, the chairman.

On the industrial side, at its subsidiary G. C. Cussons, orders both actual and to prospect are much better and the U.S. has proved such a good market that a small development and sales office has been established there.

The group, formerly known as Ricardo and Co. Engineers (1927), is continuing to plough some 10 per cent of its turnover—which last year reached £7.24m (£5.62m)—into internally funded research. This research provides the background of the group's design and contract test work, Mr. Downs adds.

He said Inchcape is looking for U.S. companies engaged in shipping agencies and insurance brokerage.

The London-based company is attempting to diversify geographically. Sir Edward said, to reduce its dependence on the Far East and South-East Asia, which together account for 43 per cent of its annual revenues.

Mr. Downs adds:

"Earlier this year a new U.S. holding company, Inchape Inc., acquired 51 per cent of Marshall International Trading Company Inc. of Illinois, an export sales and marketing concern with annual sales of about \$60m.

Inchape currently sells products in foreign markets for about 2,750 manufacturers, including several U.S. automotive and tyre companies.

A PROFITS jump of £1m is reported by Wm. Low and Co., supermarket operator, for the year ended September 1, 1979, on turnover some £12m bigger, and in the current year, the directors say trading to date is encouraging.

After a rise from £620,000 to £22,000 at 28 weeks, pre-tax profits climbed from £1.4m to a record £2.4m at the year-end.

Turnover reached £74.16m (£62.07m).

The directors state that the company's development programme is proceeding steadily with an increase in sales area of 5.6 per cent in 1978-79.

After tax charge increased from £274,000 to £859,239, earnings per 20p share rose by 6.02p to 22.27p. A final dividend of 4.9p lifts the total payout to 7p (6.11115p) net.

The pre-tax result was struck after interest of £202,264 (£189,511), but included a gain of £1.5m denting an impressive record of rising earnings. Even so, the fully-taxed p/e remains fairly demanding at 14.4, which discounts substantial benefits from the proposed relaxation of the Post Office monopoly. There should be some recovery next year, however, as a backlog of orders is worked through, and the foreign interests are mostly showing a useful return. In the meantime, the prospective yield is 5 per cent—assuming the interim dividend rise is maintained in the final.

Inchape seeks U.S. expansion

Inchape and Co. is seeking to acquire more U.S. companies to complement the international trade services it offers in other countries, according to Sir Edward Studd, executive director.

He said Inchape is looking for U.S. companies engaged in shipping agencies and insurance brokerage.

The London-based company is attempting to diversify geographically. Sir Edward said, to reduce its dependence on the Far East and South-East Asia, which together account for 43 per cent of its annual revenues.

For the year to June 30, 1979, taxable profit improved to £1.1m (£943,000) and stated earnings per share jumped from 28.4p to 33.4p. As reported with results on September 19 the net dividend is more than doubled from 2.92p to 5.7p.

The volume of business was lower at Cussons than had been anticipated, mainly because orders from the Middle East for educational equipment were slower than expected in coming

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Companies and Markets



At the end of the day a banker is concerned about people

This is a special aspect that also concerns you.
Banking revolves around confidence and trust in people. I observe that around the world the happiness and stability of countries is a reflection of the way in which their people show care for one another. Thoughtfulness actually pays dividends.

There is one great change that has happened in society almost unnoticed and needs thought and action—many, many people are living much longer, and we have done little to adjust to the consequences. Thousands of the old are left in complete loneliness, housebound and with never a visitor. Cold and hunger condemn others to suffering and slow death. Medical advance has not been matched by social advance. Most of the developing countries have no social services and even lack sufficient food, particularly in disaster areas.

One organisation is pre-eminent in using care, imagination and voluntary initiative to remedy this neglect—Help the Aged. When considering your bequests to the future, think of the way in which a legacy for such work can go on benefiting others for years to come. Tax concessions now mean that a gift can cost your estate less than its charitable value. Testators may specify if they wish a bequest to be used for a particular purpose.

Write or telephone for interesting information booklets and the annual report and accounts to: The Hon. Treasurer, The Rt. Hon. Lord Maybray-King, Help the Aged, Room FT6L, 32 Dover Street, London W1A 2AP (telephone 01-499 0972).

This announcement appears as a matter of record only



A/S FOLLUM FABRIKKER

US \$ 20,000,000
10 year loan facility

Arranged by

Den norske Creditbank

Bergen Bank

Provided by

Bank of America N.T. & S.A.
Bergen Bank International S.A.
Roycan Finanz A.G.
Commerzbank International S.A.
Den norske Creditbank (Luxembourg) S.A.
Nordic Bank Limited

Agent:
Den norske Creditbank

September 1979

This announcement appears as a matter of record only



A/S FOLLUM FABRIKKER

FLUX 300,000,000
Fixed rate term loan

Managed by

Den norske Creditbank (Luxembourg) S.A.
Banque Internationale à Luxembourg S.A.
Kansallis International Bank S.A.

Provided by

Banque Internationale à Luxembourg S.A.
Den norske Creditbank (Luxembourg) S.A.
Kansallis International Bank S.A.
Bergen Bank International S.A.
Banque Nordaurope S.A.
Copenhagen Handelsbank International S.A.
Svenska Handelsbanken S.A.

Agent:
Den norske Creditbank (Luxembourg) S.A.

September 1979

Companies and Markets

UK COMPANY NEWS

MINING NEWS

Asarco's earnings are leaping ahead

BY PAUL CHEESERIGHT

THE dramatic revival in the fortunes of Asarco, the U.S. base metals group, continued in the third quarter with a seven per cent rise in net earnings to \$70.83m (£33.3m), from \$6.67m in the same period of last year.

Figures announced yesterday testify in striking fashion to the financial improvement of the whole sector seen in recent announcements from groups like Freeport, Phelps Dodge and Texagulf.

Over the first nine months of this year Asarco's net profits were \$176.08m, up 75.8% on the same period of 1978.

The group's earnings declined steadily from \$126m in 1974 to reach a nadir in the final quarter of 1977 when the loss for the three months was \$41.2m. Profits returned in the second quarter of last year.

The main reason for the marked change in Asarco's position this year has been the firm demand for copper, silver and lead, three of the group's main products. It has also drawn benefit from high molybdenum prices. On the other hand, zinc sales have not been strong.

The fundamental market situation for copper, lead and silver continues strong. Production and consumption are in good balance. Inventories of lead are low, and copper stocks have been reduced to near-normal levels," commented Mr. Charles Barber, Asarco's chairman.

• Homestake Mining, the diversified U.S. group whose fortunes have been based on the oldest gold mine in the country, announced net income for the September quarter of \$19.2m more than double the \$7.86m earned in the comparable quarter of 1978. For the first nine months of the year, net

earnings were \$42.04m, or \$3.71 a share, against \$21.28m, or \$1.88 a share in the first three quarters of 1978.

Rio Algom

CONSOLIDATED net earnings of the Rio Tinto-Zinc group's 51 per cent-owned Canadian Rio Algom for the nine months to September 30 above a relatively modest improvement to C\$45.9m (£18.3m), or C\$8.37 per share, from C\$42.4m in the same period of 1978.

The latest increase has been reduced by a sharp rise in the deduction for minority interest excepted with an increase in the effective tax rate. The latter reflects a larger share of earnings from the Lornex copper-molybdenum operation and the steel activities which are subject to higher tax rates.

The 68.1 per cent-owned Lornex has done notably well and, as already reported, is to expand its milling rate by some 68 per cent at a cost of C\$160m which will be financed by

the former shareholders of Conoco.

Following more detailed drilling at its two deposits, Key Lake

has lifted the estimate to 150m lbs of uranium oxide from 100m lbs. The average grade of the ore is between two and three per cent uranium.

The shareholders in Key Lake

Mining are Saskatchewan Mining Development Corporation, the provincially-owned group,

with 50 per cent. Uranerz of West Germany with 33.3 per cent and Eldor Resources, an Eldorado Nuclear unit, with 16.3 per cent.

The company has just released its environmental impact statement and hopes that public hearings on it will start next February. A delay could cost the venture a whole work season.

Mr. Paul Clarke, president of Key Lake Mining said:

Provincial officials predicted

that a board of enquiry would be called next month and that hearings would indeed start in February. A report on the

enquiry could be expected six months later.

Both the ore deposits are

partly underneath lakes, which

have been drained, an action

unsuccessfully challenged in

the local courts by environmental groups. Mining plans call

for each deposit to be ringed by submersible pumps to lower the water table by 70 metres so

that opencast mining may take place.

The main points of contention

at the public hearings are likely

to be the construction of a tailings pond and the long-term

storage of radioactive waste.

COPPER-NICKEL FINDS MADE IN TANZANIA

Mineral surveys have indicated

the existence of large deposits

of copper and nickel in the

north-western part of Tanzania,

according to the Minister of Energy, Water and Minerals, Ali-Noor Kassum.

The Minister, in a report on

his department's performance in

the country's present five-year

development plan, said drilling

and soil sampling was being

carried out to determine where

mines should be opened.

He said his Ministry would

also be studying the possibilities

of further commercial exploitation

of gold, diamonds, phosphate

soda ash and coal.

MANGULA LIFTS ITS DIVIDEND

On the back of more than

doubled profits, MTD (Mangula),

the Messina unit which is the

main copper producer in Zim-

babwe Rhodesia, has declared a

final dividend of 15 cents

(10.06p) for the year to Septem-

ber 30, 1978.

Dividends for UK shareholders

are paid into a blocked savings

account at a local bank and

attract interest at prevailing

rates.

Net profits at ZRS6.5m

(£4.36m) for the year to Septem-

ber were more than double

earnings of ZRS3m for the pre-

vious year. The group, which

recently announced plans to

build an electrolytic copper re-

finery had a slightly reduced

mill rate last year, but sales

were higher. The shares in

London yesterday were 2p firmer

at 100p.

Queen Margaret aims to take

advantage of the rise in bullion

prices to reopen and develop

these and other former gold

mining operations, although

those mentioned are of

very low grade.

The company has been formed

to acquire Western Australian

gold mining interests comprising

50 per cent of Mt. Ida Gold Mine,

75 per cent of the Queen

Margaret Lode System, 75 per

cent of Mt. Sir Samuel and 75

per cent of Menzies.

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These were largely attributable

to both higher rates and an increased level of working capital,

resulting primarily from a build up of stocks due to delays in distribution.

There was a tax credit of

£111,000 (£100,000 charge) for the six months, and minorities took £17,000 (£20,000).

Interest charges were over

£30,000 higher than last year.

Turnover rose from £10.95m

to £12.07m. There is no tax charge, compared with £48,143 last year. Extraordinary credits £1,000 (£13,800).

CAMBRIDGE WATER

Cambridge Water Company's

Ask yourself if you can keep Rémy Martin
in the manner to which it is accustomed.



Distilled only from grapes grown in Grande and Petite Champagne, Cognac's two finest crus.

Companies and Markets

M.Y. Dart rises 10% — £1.5m cash call

PRE-TAX profits of M.Y. Dart rose by 10 per cent to £1.72m for the year ended June 30, 1979, and the directors announce a 5.15p rights issue on a one-for-four basis at 40p per 10p share.

Sales were up 24.5 per cent from £14.5m to £18.1m, and operating profits advanced 18.2 per cent to £1.98m.

But higher depreciation, of £515,000 against £403,000, and interest of £271,000, compared with £212,000, cut back profits at the taxable level.

There has been an encouraging start to the current year, and the directors expect further satisfactory results.

At halfway profits had increased to £810,000, against £723,000.

The year's dividend is effectively raised to 2.8p (2.21p) net per share with a final of 1.5p. For the current year the directors have set the level of payments should take account of the group's profit performance.

Stated earnings are 10.9p (8.29p) per share, and 10p (7.6p) fully diluted.

Giving reasons for the rights issue, the directors say that while they are satisfied the group's banking facilities provide ample resources to finance existing activities, they consider it desirable to maintain a prudent balance between borrowings and shareholders' funds.

They also wish to provide for

expansion, by internal growth and acquisition.

The issue has been underwritten by Hill Samuel and Company and Capel-Carey Myers is the broker. Dealings (nil paid) are expected to start on October 20.

Increased firework sales boosted profits in the pyrotechnics division which were however, more than offset by a reduction in the level of contract work from the Ministry of Defence.

As at June 30 fixed assets stood at £8.99m (£5.5m) and net current assets were £2.75m against £2.65m. Shareholders' funds totalled £9.94m (£7.9m). Net assets amounted to £10.25m (£8.3m) or 88.5p (£2.8p) per share.

In commenting on Dart's results, the chairman said: "Dart is clearly taking note of the plight of other toy and hobby companies which have been stung by a sharp jump in interest charges. Post rights, net borrowings will be cut from a third of shareholders' funds to under a tenth, thereby giving a much needed buffer against the effects of a more difficult trading environment. A noticeable feature of the rights call, which accompanies the announcement of a 10 per cent rise in pre-tax profits, is the lack of a dividend forecast.

This disappointed the market, and the shares slipped 4p to 48p where the historical pe is 7.7 and the yield 8.1 per cent, a rating which has some taken away.

Higher plant utilisation has been achieved in the packaging sector, as a result of the acquisition of additional warehousing facilities, directors say.

Telephone Rentals
LTD.
Incorporating
DICTOGRAPH TELEPHONES LIMITED
OPERATING TR SERVICES

THE CONSOLIDATED PROFIT STATEMENT (UNAUDITED) OF THE GROUP FOR THE SIX MONTHS ENDED 20TH JUNE 1979.

Half Year to 30th June	1979 £000's	1978 £000's	Year 1978 £000's
Turnover:			
Rental	10,562	9,334	19,083
Sales and Other	8,028	7,134	17,082
	18,600	16,468	36,115
T.R. Group Profit before Taxation	5,401	4,976	10,920
Less: Estimated Taxation	2,799	2,579	5,558
Group Profit after Taxation	2,602	2,397	5,361
Less: Minority Interest	16	23	63
Balance of Profit attributable to Telephone Rentals Ltd.	2,586	2,374	5,298
Depreciation:			
Amounts charged in arriving at above Profit	2,152	1,896	3,769
Taxation:			
United Kingdom	1,283	1,050	2,810
Overseas	288	306	536
Deferred Taxation	1,228	1,221	2,213
	2,799	2,579	5,558
Earnings per Share	6.66p	6.12p	13.65p

The figures for the six months to 30th June 1979 have been amended for comparative purposes to reflect variations in foreign exchange rates during that year.

United Kingdom taxation has been based on a Corporation Tax rate of 55% in both years.

DIVIDEND

On the 24th October the Directors declared an Interim Dividend of 1.8p per share (1978—1.715p), on the Ordinary Share Capital in respect of the year to 31st December 1979, absorbing £698,583 (1978—£663,595). The Dividend is payable on 5th December 1979 to the Shareholders on the Register at the close of business on 16th November 1979.

HALF-YEAR RESULTS

Group Profits before Taxation for the first half of 1979 show an increase of 8.5% compared with the first half of 1978. These results were adversely affected by the transport strike and bad weather in the United Kingdom in the early months of the year together with the delay in recovering increased costs pending the abolition of the Price Commission.

THE POST OFFICE MONOPOLY

The Government has stated its intention of relaxing the Post Office Monopoly for Subscribers Telephone Apparatus and related attachments. Proposals to this effect are due to be placed before Parliament towards the end of 1980.

Whilst this intention is most welcome it is not possible to evaluate what benefits are likely to accrue to your Company until the full details of these proposals are known together with the time-scale involved.

CURRENT PROSPECTS

New Rental business secured by the Group during the first nine months of the year shows an impressive increase over 1978 figures at this stage although new Sale business taken at present slightly less than 1978 record figures. However, some falling off during the remaining months of the year is expected in view of the current industrial climate in the United Kingdom.

The dispute in the Engineering Industry in the United Kingdom has severely affected not only the majority of our suppliers, but the ability of our Installation Staff to work on customers' premises. There will, therefore, be a substantial shortfall in completions in the second half of the year with a consequent adverse effect on profitability.

Whilst it is difficult to predict what the outcome for the full year is likely to be, your Board anticipate the final results will be reasonable in the prevailing circumstances.

Increased firework sales boosted profits in the pyrotechnics division which were however, more than offset by a reduction in the level of contract work from the Ministry of Defence.

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This disappointed the market, and the shares slipped 4p to 48p where the historical pe is 7.7 and the yield 8.1 per cent, a rating which has some taken away.

Higher plant utilisation has been achieved in the packaging sector, as a result of the acquisition of additional warehousing facilities, directors say.

UK COMPANY NEWS

London and Northern up

TAXABLE PROFITS of London and Northern Group moved last year's total was £3.5m ahead from £2.4m to £5.8m in the first half of 1979, on turnover of £31.37m higher at £10.83m. Last year, a record £11.77m pre-tax surplus was achieved.

Attributable profit in the overseas civil engineering division is slightly down but its work load looks reasonable until at least the end of the year, domestic operations appear successful.

Preference dividends again absorb £36,000, while ordinary payments were up from £710,000 to £793,000.

During the period, the group's metal reclamation and steel stockholding division materially improved turnover and profitability, while construction and building products interests maintained their position despite adverse weather conditions throughout the UK.

In the second half to date, weather in the UK has improved and continued overall progress is expected.

Half-yearly earnings per 25p share rose by 0.5p to 5p, and the interim dividend is stepped up to 1.5p.

London and Northern seems reasonably confident of doubling first half profits this year which, allowing around £500,000 for minorities and pulling back most of the estimated profit of £780,000 dropped through bad weather, indicates a prospective p/e of just 3.9. If the same rate of interim dividend increase is

Helical growth

The improved results in 1978-79 from Helical Bar should continue into the shortened current accounting period, with an increasing proportion of the group's earnings coming from reinforcement market, Mr. J. D. Spooner, chairman, tells Shareholders.

The associated companies' contribution from Queenborough Steel continues at a most satisfactory level and with Saudi Steel Reinforcements trading profitably in 1979, the chairman anticipates an increasing proportion of group profits from this source in the future.

The company's land on the Isle of Sheppey became surplus to requirements and, since the year-end, has been sold at a satisfactory profit.

The chairman says it has been

group policy for some years to move away from dependence on traditional markets into other allied fields, "a policy which under present conditions is

successful." The Board continues to look for and give consideration to further investment in pursuit of this policy.

For the year ended April 28,

1979, pre-tax profits rose from £55.22m to £137.83m on turnover of £8.15m against £6.14m.

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satisfactory level and with Saudi Steel Reinforcements trading profitably in 1979, the chairman anticipates an increasing proportion of group profits from this source in the future.

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This announcement appears as a matter of record only.

\$150,000,000

private equity financing for

Williston Basin, Ltd.,

a Colorado Limited Partnership whose General Partners are TUCKER & SNYDER EXPLORATION, INC., Managing Partner, and APACHE CORPORATION, Special Partner,

to participate in a joint exploration venture with

Amoco Production Company

a wholly-owned subsidiary of STANDARD OIL COMPANY (INDIANA).

We acted as financial advisor to Tucker & Snyder Exploration, Inc. and arranged the private placement of the partnership interests commencing with an initial \$50 million contribution to the \$150 million exploration program.

Donaldson, Lufkin & Jenrette

October 9, 1979

This announcement appears as a matter of record only.

Scottish Williston Oil Corporation

a Delaware Corporation organized on August 1, 1979.

We initiated the organization of Scottish Williston Oil Corporation, a limited partner in Williston Basin, Ltd., to permit certain U.K. financial institutions to participate in the Williston Basin—Amoco Production exploration program.

Donaldson, Lufkin & Jenrette

October 9, 1979

Doubled Profit

Half year ended June 30 1979	Half year ended June 30 1978	Year ended Dec 31 1978
£517,000	£206,000	£470,000
£475,000	£187,000	£427,000

Points from the Interim Report by the Chairman, Mr Michael Heathcote:

The half year profit of £517,000 exceeded the total—a record £470,000—for last year as a whole.

The interim dividend has been increased by 75% to 0.7p net.

Prospects are most encouraging for the second half, when we expect profits to reflect the further growth of the group.



Allied Plant Group Limited

For a copy of the Interim Report, write to the Secretary,
79 Beverley Road, Hull HU3 1XR.

NORTH AMERICAN NEWS

Xerox sales and profits at record levels

By Our New York Staff
XEROX IS continuing to ride well through intensified competition in the copier markets and yesterday reported record sales and earnings for both its third and fourth quarters and for the first nine months of 1979.

In the quarter ended September 30, sales were up 16 per cent from a year ago at \$1.76bn. Earnings were \$137.7m or \$1.71 a share which was 12 per cent better than for the same period of 1978 if an extraordinary after-tax gain resulting from a patents settlement with International Business Machines in 1978 is excluded.

Revenue for the first nine months of this year reached \$5.04bn—again up 16 per cent. Net income for the nine months was \$424m against \$356m in 1978—a 16 per cent improvement.

A slowdown in the rate of growth of earnings in the third quarter compared with the first half of the year was caused mainly by less favourable foreign exchange conditions.

Xerox said rental, service and sales revenues were all strongly improved in the quarter and the volume of copiers made worldwide on Xerox machines was up 15 per cent from a year ago. There had also been fewer cancellations of leased Xerox equipment.

Xerox's decision to go strongly into the low volume copier field has taken it into more direct competition with one of its most rapidly growing rivals, the Savin Corporation, which has responded to the Xerox challenge by attacking Xerox's position in the mid-volume range.

Polaroid affected by poor trading and write-off

BY STEWART FLEMING IN NEW YORK

DETERIORATING BUSINESS CONDITIONS and rising costs, together with the previously announced write-off of \$88.5m, have left former Wall Street glamour stock Polaroid nursing a \$23.1m net loss at the end of the third quarter.

The third quarter loss, contrasts with a profit in the third quarter last year of \$34.4m or \$1.04 a share which was 12 per cent better than for the same period of 1978 if an extraordinary after-tax gain resulting from a patients settlement with International Business Machines in 1978 is excluded.

Revenue for the first nine months of this year reached \$5.04bn—again up 16 per cent. Net income for the nine months was \$424m against \$356m in 1978—a 16 per cent improvement.

A slowdown in the rate of growth of earnings in the third quarter compared with the first half of the year was caused mainly by less favourable foreign exchange conditions.

Polaroid's troubles have been building up throughout the year, and have already led the company to cut back on its workforce to try to contain costs. The heavy write-off of \$88.5m resulted from a revaluation of the company's Polavision products. Polavision is an instant movie camera system which has been a major disappointment for the company since it was launched in 1977.

But even without the Polavision problem, Polaroid's earnings would have come under heavy pressure. Mr. William J. McCune, the president, said that without the write-off, the company's earnings would have been 48 cents a share, down from \$1.04 a share a year ago.

Mr. McCune attributed the decline in earnings to decreased manufacturing profit margins resulting from sales levels lower than expected, reduced investment income and higher interest expense.

Marathon Oil earnings ahead in third quarter

BY OUR FINANCIAL STAFF

SUBSTANTIAL GAINS in third quarter trading continue to be reported by most oil companies. Marathon's net income advanced by \$8 per cent to \$79.7m or \$1.31 a share against \$60m or \$1.23 cents on revenues up 58 per cent to \$1.9bn.

On a nine month basis net earnings increased to \$269.0m or \$4.44 a share compared with \$151.3m or \$2.50 for the first three quarters of 1978. Revenues rose by 39 per cent to \$5.0bn. The nine months net included an extraordinary credit of \$28m or 46 cents a share against \$10.2m or 17 cents.

Conoco, formerly known as Continental, announced a jump of 134 per cent to \$247.1m in net earnings for the third quarter. Share earnings increased from 98 cents to \$2.30.

Pan American profits slide

BY OUR FINANCIAL STAFF

PAN AMERICAN World Airways has joined the growing bank of US airlines reporting lower third quarter earnings.

Pan Am's third quarter earnings dropped 40 per cent from last year's corresponding \$101.3m or \$2.01 a share to \$60.8m or 66 cents a share on revenues 10 per cent higher at \$742.8m.

Nine-month profits fell 28 per cent, from \$123.4m or \$2.71 a share to \$89m or \$1.25 a share on a turnover of \$1.85bn—also up 10 per cent.

The airline said its third quarter earnings decreased \$40.5m primarily as a result of its inability to adequately put into effect fuel-related fare increases. U.S. domestic airlines are allowed to put through major fuel increases automatically under procedures adopted by the Civil Aeronautics Board and applicable only to domestic operations.

Chrysler considers reduction in range

BY OUR NEW YORK STAFF

CHRYSLER is actively considering reducing its product range in the 1981-1985 period, in contrast with its previous insistence that it must remain a full-line car maker for continued viability.

This point emerges in the Booze, Allen and Hamilton consultancy report prepared for the company and released yesterday. As previously reported, this survey also suggests that Chrysler should plan for double the \$700m in external contingencies financing which the company is negotiating with the U.S. Treasury.

The Treasury said yesterday that it would be considering the Booze Allen findings along with reports from its own consultants and hoped to have a firm position on Chrysler by the first week in November.

At that point Mr. William Miller, the Treasury Secretary, or his deputy, plans to appear before a Congressional Subcommittee investigating Chrysler to outline the next steps. Yesterday, Mr. Miller took breakfast with Mr. Doug Fraser, president of the United Auto Workers Union, which has set a noon deadline today for completing pay talks.

Booze Allen starts from the premise that the U.S. car market is going to get tougher in the next few years and that Chrysler cannot assume its ability to increase market share by over 2 per cent between 1980-1985. On this conservative basis, the consultant suggests that Chrysler must have a contingency plan to reduce its product line beyond 1981.

SCM to fight liquidation attempt by dissidents

BY IAN HARGREAVES IN NEW YORK

SCM CORPORATION, the multi-product conglomerate which had sales last year of \$1.8bn, is fighting for survival today with a group of dissident shareholders who want to liquidate the company. At SCM's annual meeting in Chicago the group, led by a flamboyant New York businessman Mr. N. Norman Muller, will propose the replacement of the entire SCM board of directors.

Mr. Muller's chances doubt if he does win the vote it could open the flood gates on similar attempts to capitalise on low stock prices. "Probably a third of the companies quoted on the New York stock exchange have market valuations significantly below their book valuations. There is no telling where it could end," one analyst said.

They also concede that the outcome is extraordinarily difficult to predict because SCM's shares are distributed almost entirely among small stockholders who have been besieged with rival claims from the two legal wrangle with Xerox.

SCM reported earnings of \$47.4m or \$4.98 a share for the year ended June 30, an increase of 26 per cent from 1978. Its profit margins have been dull however in the last few years and much effort has been expended on a so far unsuccessful

legal wrangle with Xerox.

Eurodollar bond prices rise

BY FRANCIS GHILES

THE ANNOUNCEMENT from Washington yesterday afternoon that the U.S. would be issuing DM 4bn worth of "Carter bonds" between November and next January, coupled with the easing of Eurodollar interest rates helped to push the prices of most dollar bonds up on the day.

Both the six and the three month Eurodollar rates finished the day at 15%. In the case of the three month rate this represented a near three quarters point fall on the day.

Two factors contrived to push the prices of sterling bonds down by about two points yesterday: the dismantling of exchange controls by the Chancellor of the Exchequer, Sir Geoffrey Howe and the weakness of the UK currency.

Later in the day prices rallied, losing about one point down.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on October 24

U.S. DOLLAR

STRATEGIC

Issued Bid Offer day week Yield

Australia Inv. 10/85 10/85 26 95c +0.4% 10.14

Alex Howden Inv. 9/85 9/85 26 107c +0.4% +13.05

Australian Res. 8/85 8/85 30 91c 92c -0.1% 13.48

Avco O/S Cap. 10/84 8/84 40 83c 83c -0.1% 13.48

Bell Canada 10/84 8/84 30 102c 102c -0.1% 13.48

Cit. Fin. Corp. 10/84 8/84 100 97c 97c +0.4% 13.48

Coca Cola 10/84 8/84 150 97c 97c +0.4% 13.48

CECA 9/85 9/85 100 98c 98c +0.4% 13.48

Canadian Pacific 9/85 9/85 50 97c 98c +0.4% 13.48

Corpor. Hawley 9/85 9/85 50 87c 88c -0.1% 12.47

Cominco Inv. E. 10/84 9/84 40 87c 88c -0.1% 12.47

Corpor. Inv. E. 10/84 9/84 50 87c 88c -0.1% 12.47

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Companies and Markets

U.S. OIL TAKEOVERS

A matter of politics, prices and technology

BY DAVID LASCELLES IN NEW YORK

THE ASTOUNDING size of Shell Oil's bid for Belridge Oil—at \$3.63bn, it is by far the largest takeover in the U.S. has ever seen—will probably not be matched for some time. But the purchase itself is only part of a growing trend in the U.S. oil industry, where the big companies are buying up all the oil assets they can.

Only a short while before Belridge came on the markets, there was lively bidding for another choice property, the General Crude subsidiary of International Paper. First offered to Gulf Oil at \$650m, it passed to a joint \$705m bid by Tenneco and Southland Royalty, only to end up with Mobil Oil for close on \$800m—nearly 25 per cent more than Gulf had originally agreed to pay.

Battle for Bodcaw

Shortly after that came the battle for Bodcaw. Although this was principally a timber concern, it had large oil and gas properties which attracted strong oil industry interest, and greatly enlivened the bidding. International Paper first bid \$610m, only to have this topped by a \$695m bid from Weyerhaeuser, another paper company, in conjunction with Mobil. But Bodcaw eventually went back to LP, for \$850m. LP promptly sold off the oil and gas properties to Placid Oil of Dallas for \$188m.

The story has continued since Belridge, Getty Oil, one of the losers in the Belridge auction, later bid \$631m for Reserve Oil and Gas, toppling the \$525m bid by Denison Mining of Canada.

And these are only the largest deals around. Every day brings news of oil property purchases worth \$100m or so, but in today's hectic environment they no longer grab the headlines.

Why has the market suddenly become so lively? Analysts discern several trends.

One has to do with world politics. With nationalisation rife in the third world, the oil multinationals' scope has been sharply reduced. Indeed, apart from the North Sea and Indonesia, there are few places

INTERNATIONAL COMPANIES and FINANCE

U.S. OIL TAKEOVERS

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where they can operate in relative freedom from political threats. This has caused many to turn with renewed interest to developing energy resources in the U.S.

Another is price. For the past decade or so, the tight control exerted by the U.S. on domestic oil prices made exploration and production less attractive than abroad, where companies could command OPEC prices for their products. That is now changing. President Carter's new oil price decontrol policy opens up the prospect of higher value oil in the U.S. during the 1980s, and hence greater profits. Decontrol, which is due to be phased out by September 1981, may not bring U.S. oil prices right up to world levels, but it could double the value of the average barrel produced today.

A third reason is technology. U.S. oil production reached a plateau partly because of price control, and partly because easy deposits were exhausted. In recent years, however, rising oil prices have given the oil industry greater incentives to develop expensive enhanced recovery techniques. This should open up new prospects for U.S. oilfields once considered too difficult to exploit.

In the case of Belridge, for example, Shell Oil justified the huge bid price with the claim that it had the technology to extract the hundreds of millions of barrels of oil that Belridge once considered inaccessible.

The competition for oil assets is now very hot," according to Mr. Jack Morris, vice-president for investor relations at Gulf Oil, one of the oil majors whose stated policy is to develop its U.S. production base.

However, as the bidding for Belridge showed, the competition is also highly unpredictable. The day after Shell announced its winning bid of \$3.63bn, two joint bidders, Mobil and Texaco, revealed that their bid had been \$1.8bn, or just under half that of Tenneco, another unsuccessful suitor for Belridge. Also bid "considerably less" than Shell, according to its chairman, Mr. Jim Ketelsen. Yet all these bids were put together on the basis of the same technical and

More gains at Borg-Warner

BY OUR FINANCIAL STAFF

BORG-WARNER Corporation, the diversified industrial group which is active in automotive components, chemicals and agricultural equipment, said that after-tax margins for both the third quarter and nine months were "about equal" to last year. As the company's second quarter and first half showed record gains, it is still expecting another record year although it

has seen a softening in some of its markets.

It reported third quarter net earnings up by 14 per cent to \$35.5m or \$1.65 a share against \$30.8m or \$1.43 for the corresponding quarter last year. Sales advanced 15.5 per cent to \$660.5m.

The net figure includes a gain of 16 cents a share from tax credits on inventories related to

British operations and a reduction of 24 cents a share due to the LIFO method of inventory accounting compared with a 7 cents reduction.

Over the first three quarters net earnings rose by 18 per cent to \$113.6m or \$5.30 a share against \$93.50m or \$4.45 on sales which advanced by 17 per cent to \$2.00 bn. Last year's earnings were \$6.24 a share on sales of \$2.35bn.

Sales and profits up at TRW

BY OUR FINANCIAL STAFF

THIRD QUARTER results for TRW, the U.S. automotive components manufacturer with interests in aerospace and energy fields, have supported the company's forecasts of higher sales and profits for the year. Net profit for the quarter was ahead at \$46.3m from \$42.2m with revenue at \$1.1bn against \$927.9m. Fully diluted earnings per share improved to

\$1.25 from \$1.15 for the quarter.

Sales for the first nine months of this year were \$3.37bn compared with \$2.75bn and net profit improved to \$144.5m from \$124.9m. Fully diluted earnings for the first nine months were ahead at \$3.91 per share against \$3.40.

Mr. Ruben Mettler, chairman, expects TRW's final result to

well ahead of the 1978 figure of \$174.2m or \$5.24 per share on sales of \$3.79bn. He added, however, that the effect of the recession is expected to be felt in the final quarter and in the early quarters of next year.

The current figures include a gain from the reduction in UK taxes as a result of changes to the tax law.

MacMillan Bloedel heads for record

BY OUR FINANCIAL STAFF

STRIKES HIT the third quarter earnings of Canada's largest forest group company, MacMillan Bloedel, but the president, Mr. Calvert Knudsen, forecasts "a strong fourth quarter and record results for the full year 1979."

Earnings for the quarter fell to C\$27.8m or C\$1.24 a share, from the C\$26.8m or C\$1.30 for the corresponding quarter last year. The quarterly revenues are not disclosed.

Mr. Knudsen said that the company, which successfully fought off bids by Canadian Pacific Investments and the Montreal-based pulp, paper and chemicals group, Domtar, at the beginning of the year—to which MacMillan Bloedel replied with its counter-bid for Domtar—will earn at least C\$7 per share for 1979 as a whole compared with C\$4.50 in 1978.

For the first three quarters, earnings pushed ahead by 62

per cent to C\$118.3m or C\$5.37 a share compared with C\$72.9m or C\$3.25 for the nine months last year and revenues were up 9 per cent to C\$1.64bn.

Mr. Knudsen said that all the company's British Columbia facilities are back in full operation.

Operating cash flow for the company for the first nine months was C\$189.1m or C\$8.89 a share compared with C\$137.2m or C\$6.45 a year ago.

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The operations of this company are being regrouped according to function, split between hotels, different categories of restaurants, central buying operations, and distribution. Consolidated sales in the first half were up by 15.9 per cent from FF 1.05bn to FF 1.21bn, with a particularly sharp rise in Spain where turnover rose by 41 per cent. Overseas sales accounted for 35 per cent of the total.

According to the company, it is now continuing with its comprehensive reorganisation pro-

gramme, designed to "reduce the number of companies, improve management and reduce costs". A few weeks ago it announced plans to restructure the Sofitel chain of luxury hotels, whose problems were one of the main reasons for its fall from grace, by reducing the number of subsidiaries in this sector from 36 to 14.

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Preussag optimistic on results for year

BY RUPERT CORNWELL IN ROMA

By Roger Boies in Paris

Part of the reason for the discrepancy, oil industry analysts say, is Shell's confidence that it can extract Belridge's hard-to-reach reserves. But observers also believe Shell is prepared to take a lower return on its money while it gets Belridge going in order to enjoy much bigger profits 10 years from now when the price of oil will have doubled again. Other more highly leveraged companies want quicker returns.

However, all companies have their individual bidding strategies based on assumptions about energy availability, oil prices, production costs and consumption trends. And they usually decline to discuss these for fear of jeopardising their chances in future bidding.

Oil price fears

But healthy competition for oil assets have sparked fears that the oil industry will bid up the price of oil to even higher levels. The oil companies themselves deny this, arguing that they have been bidding against each other for decades on offshore leases without losing sight of the real value of oil.

Some critics also argue that the oil industry is seeking the easy way out by buying proven reserves rather than making fresh discoveries, contrary to the country's long-term energy interests.

The oil industry counters that most acquisitions are made on top of existing exploration and production plans, and are financed with new funds rather than money diverted from other budgets. Shell Oil was careful to make this point in its Belridge announcement, saying it would seek "substantial external financing" and did not intend to forgo existing near-term or long-range plans, including those for capital investment for energy exploration or development."

Companies also argue that acquisitions enable large companies to pour capital into new oil prospects which their previous owners could not afford to develop.

Creusot-Loire sells unit to Hughes Tool

By Our Paris Staff

CREUSOT-LOIRE, the French engineering group which is now going through a period of rationalisation, is divesting off some of its oil drill manufacturing interests to Hughes Tool of the U.S.

The French authorities are understood to have given their approval to the deal, which will give Hughes Tool a 90 per cent stake in SFMF, the Creusot-Loire subsidiary.

SFMF has a turnover of about FF 100m (\$23.6m), and has been losing money for several years. According to Creusot-Loire, it would need heavy investment to pull the company back into profits, and rather than commit the funds it has hived off the business to a stronger group.

The French company has made it clear in recent months that it intends to concentrate its activities on its more profitable sectors, eliminating less-making enterprises where necessary.

SFMF is reckoned to have about 3 per cent of the world market in its sector, and exports 95 per cent of its output. Early this year it reduced the labour force in its factories from 530 to 475, but it is understood that Hughes, which already has manufacturing facilities in Europe, will aim to maintain employment in France.

If the talks are successful, Antoine Chiris will be transferred to the unnamed international group together with its management, and will continue as an independent company.

Earlier this year it sold off a subsidiary, Lenderink, which made protein derivatives at Schiedam in the Netherlands. It has also halted the production of a number of aromatics, and is now considering what to do with its Maschmeijer aromatics subsidiary.

Narden is discussing the transfer of a majority stake in Atoile Chiris, a company which employs a workforce of 190 making the raw materials for perfumes in Grasse. Antoine Chiris was acquired by Narden in 1978 from the U.S. company UOP Fragrances, and is now being disposed of because Narden is "top-heavy" in France.

If the talks are successful, Antoine Chiris will be transferred to the unnamed international group together with its management, and will continue as an independent company.

They first announced at the beginning of September that discussions had been started, although neither has released any details of the extent to which they might have co-operated.

Mediobanca lifts dividend after strong performance

BY RUPERT CORNWELL IN ROMA

By John Walker in Stockholm

MEDIOBANCA, the state-owned medium-term credit institute, has underlined its position as Italy's most profitable bank by reporting net earnings of L1.8bn (\$38m) for the year to June 30, against L30.4bn in the 1977-78 financial year.

The rise in profits comes despite portfolio investments of a declared L14bn to acquire a 9.8 per cent stake in Italimpianti, the master company of the financial and industrial empire of Sig. Carlo Pesenti.

Many stock market analysts, however, believe that the Agnelli group's holding in Italimpianti may be considerably higher than that reported by IRI.

Mediobanca's total deposits during the year actually dropped by L813m to stand at

L4.112bn (\$4.95bn), but this was entirely due to the unwindings of certain official operations with the Bank of Italy.

The annual report also gives a picture of the portfolio holdings of Mediobanca in major Italian groups, a reflection of its role as a merchant bank at the hub of the country's financial system.

These include 5 per cent of Assicurazioni Generali, Italy's life chip insurance group, 6 per cent of Snam Viscosa, 2.6 per cent of Olivetti ordinary stock, 6.5 per cent of Pirelli and Cie, and 3.75 per cent of Pirelli Spa.

Emser Werke to expand in U.S.

BY JOHN WICKS IN ZURICH

By Our Paris Staff

THE SWEDISH forest products and power group Stora Kopparberg reports that pre-tax profit for the first eight months of this year amounts to Skr 268m (\$84m), compared with Skr 76m in the corresponding period of 1978. Sales for the first eight months of the year amounted to Skr 2.3bn (\$550m), compared with Skr 1.9bn in the same period of 1978.

In the company's annual report for 1978, published in April, it was forecast that current prospects were brighter than earlier predicted. Now the company expects that pre-tax profit for the whole of 1978 will be Skr 400m (\$95m), and says that prospects should continue to improve into 1980. A marked improvement in liquidity has already been noted.

Demand for the company's products has continued to increase this year, and in addition prices in the forest products sector have shown an upswing.

Sharp gains for Swedish pulp group

By John Walker in Stockholm

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Outline pact agreed on future of AOIP

By Our Paris Staff

AN OUTLINE agreement has been reached between the three main French-owned telephone exchange equipment manufacturers on the future of AOIP, the co-operative group which has run into financial trouble because of the decline in orders from the French telephone authorities.

The agreement still has to be put before the 1,700 members of the AOIP co-operative, who have the ultimate authority on the running of the 4,500-man organisation. But if their approval is forthcoming, along with some financial support from the public sector, the company will be split up between its larger rivals, CIT-Alcatel and LMT-Tomson-CSF.

CIT will take the larger part of the affair with 65 per cent of the shares and the factory at Guincamp employing 1,200 people. LMT will take the other 35 per cent and the plant at Morlaix, employing 700. Some of AOIP's Parisian interests will be taken over in a joint company owned by CIT and LMT.

The deal will leave AOIP with a staff of about 1,500 and a projected turnover in 1980 of some FF 300m (\$70.7m).

Swiss government SwFr 250m bond

BY OUR ZURICH CORRESPONDENT

By Our Paris Staff

Stiff opposition to CSR's offer for Thiess stake

BY JAMES FORTH IN SYDNEY

CSR, THE major industrial and mining group, has run up stiff opposition to its sharemarket raid on the Queensland-based coal producer, civil engineer, and motor vehicle distributor, Thiess Holdings. CSR announced on Monday that it was mounting an A\$74m (US\$ 2.2m) market operation to buy 11m shares, or 16.8 per cent of the capital.

The Thiess Board and the Queensland state Government have both reacted as if the CSR move represents an attempt to gain control. The directors of Thiess yesterday claimed that the CSR buying price of A\$6.74 considerably understated the present and potential value of the group and urged shareholders not to sell.

The Queensland Premier, Mr. John Bjelke-Petersen, also stepped in, and said he was concerned at the possibility of "southern interests" gaining a controlling stake in one of Queensland's companies, and one of the state's pioneering companies. Mr. Bjelke-Petersen has called for a meeting with CSR representatives to be held today, also to be attended by the State Minister for Mines and Energy, Mr. Ronald Cann and the Liberal Party leader, Dr. Llew Edwards.

CSR's head office is in Sydney, the capital of New South Wales, but it is one of Queensland's most important companies. It dominates the sugar industry and is a significant and growing force in mining within the state. It is also probably more politically involved in Queensland than any other company, and is the

appointed marketing agent for the sugar industry. In addition it handles export sales of sugar for the Federal Government, most of which is produced in Queensland. CSR now finds itself treated virtually as a foreign interloper.

Ironically, one of the factors motivating CSR is a desire to prevent further acquisition of local resources by foreign interests. CSR is strongly opposed to the Federal Government's policy of allowing foreign companies to "naturalise" by gradually lifting their local equity to 51 per cent. The company was unhappy that the federal government gave Canon Zinc Riotinto of Australia, the local offshoot of the UK mining house, Rio Tinto-Zinc, permission to proceed with a takeover contest with Australian company, Western Mining Corporation, for control of the mining and investment group, BH South. It regards this move as opening the way for foreign groups to bid for Australian resource companies.

CSR is also believed to be concerned at the departure of some of the Thiess management, including the sudden resignation last month of the chief executive, Mr. A. L. Morokoff. The Thiess board yesterday appointed a new chief executive, Mr. Norman Fussell. CSR is believed already to have sounded out the other two major Thiess holders—the oil major, Shell with 15.8 per cent, and the life office, the AMP Society, with 10.3 per cent.

Japanese bond prices fall

TOKYO — Japanese Government Bonds with a life of 10 years maturing August, 1988, fell to \$5.50 per cent at mid-session yesterday, compared with \$7.08 per cent two weeks ago and the record low close of \$5.33 per cent in June this year.

Secondary market prices of national bonds had been falling in expectation of an increase in the official discount rate by the Bank of Japan, which will, it is thought, lead to a new round of increases in long-term interest rates, the Underwriters Association said.

The yield on the bonds had reached 9.12 per cent, but investors were still waiting to see what margin the Bank of Japan will raise its discount rate, which is 5.25 per cent at present.

The 6.1 per cent national bonds, the issues of which in 1973 totalled Y\$8,000bn (\$38bn), had become an indicator of

market trends, but 8 per cent 10-year bonds maturing in 1986 fell to 9.37, had, at the same time, fallen under par for the first time.

Another reason for the fall in National bond prices had been the yen's depreciation against the U.S. dollar and other major currencies in recent months.

Japanese banks are sensitive to secondary prices of National bonds because they have to value their National bonds holdings at the lower of cost or market value at the end of each six months. They are, however, currently compiling their statements for the term ended last month.

Securities sources are con-

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Financial Times Thursday October 25 1979

Companies

and Markets

CURRENCIES, MONEY and GOLD

Pound steadies

Trading In yesterday's currency markets centred on sterling, following the abolition of exchange controls as announced on Tuesday. After opening at \$2.120-2.130 against the dollar, it fell quite quickly to \$2.060. However, at this level some profit taking took place, and the Bank of England intervened so that by noon the rate was fluctuating between \$2.10 and \$2.11. Later in the day the market tended to take the recent exchange control measures as a sign of the UK government's confidence in sterling and it rose to \$2.1180 one point before closing at \$2.1105-2.1115, a fall of just 20 points from Tuesday. The pound's recovery was reflected in its trade weighted index which rose steadily from 67.5 in the morning to 67.6 at noon and 67.7 at the closing calculation, compared with 67.9 on Tuesday.

The dollar opened around its best level for the day but weakened as domestic dollar rates and Euro-dollar rates fell back slightly. Later in the day, however, it recovered on the announcement of DM 4bn of swap lines with West Germany and it finished just below the Swiss franc.

Again the D-mark it jumped from DM 1.8000 prior to the announcement to a closing level of DM 1.8050, against DM 1.8055 on Tuesday. It was sharply weaker against the Swiss franc at SwFr 1.6575 compared with SwFr 1.6740—but yesterday's close was some way above its low point for the day of SwFr 1.6520. On Bank of England figures, its trade weighted index fell to 86.4 from 86.7.

FRANKFURT—There was no intervention by the Bundesbank at yesterday's fixing, with the dollar lower at DM1.8035 com-

pared with DM1.8064 on Tuesday. Trading was generally fairly orderly, and the U.S. unit showed no erratic movement. It fell briefly on news of an increased West German trade surplus for September but recovered soon after.

BRUSSELS—The Belgian franc showed mixed change yesterday, with the dollar weaker at BEF 25.00 against BEF 25.05 and the Dutch guilder easier to BEF 14.50 from BEF 14.501. On the other side the D-mark rose to BEF 16.0335 from BEF 16.073 and the French franc improved to BEF 8.865 from BEF 8.8575.

COPENHAGEN—The Belgian franc continued to improve against the Danish krone to DKr 18.15 per 100 francs compared with DKr 18.155 previously. The krone was also weaker in terms of the D-mark, with the latter rising to DKr 292.43 per DM 100 against DKr 292.15 on Tuesday. Elsewhere the Danish showed marginal gains.

MILAN—The dollar fell to L830.05 from L831.70 at yesterday's fixing and the D-mark was weaker at L460.33 compared with L460.50. The lira was also firmer against other EMS currencies and sterling also lost ground to L1.752 from L1.775.2. In a contrary trend the Swiss franc im-

proved to L497.74 from L497.20.

TOKYO—The dollar showed little overall changed against the yen, and closed yesterday at Y234.80, compared with Y224.77.

At one point the U.S. unit touched its highest point this year at Y235.40 as high U.S. interest rates helped the dollar maintain its recent firmer trend.

The dollar finished below its best level and this may have reflected intervention by the Bank of Japan, with dealers estimating support action of around \$150m.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU	Gross currency amounts	% change from central rate	central rate	% change from central rate	Divergence limit %
October 24						
Belgian Franc ...	39.8456	40.0086	+0.01	40.41	-1.13	
Danish Krone ...	7.26534	-1.22	-1.22	7.335	-1.23	
German D-Mark ...	2.46557	+0.08	+0.08	2.5125	+0.08	
French Franc ...	3.85522	-0.40	-0.40	3.7157	-1.3575	
Irish Guineas ...	2.74748	+0.50	+0.50	2.71515	-1.15	
Italian Lira ...	1169.42	1146.19	-1.14	1146.19	-1.14	-24.01

Changes are in ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

	Pound Sterling	U.S. Dollar	Deutschmark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	8.111	485.0	581.8	4.228	1724	2.497	61.20	61.89	
U.S. Dollar	0.474	1	1.806	2.345	1.628	8.003	0.803	1.182	1.182	
Deutschmark	0.265	0.554	1	129.8	0.339	1.109	0.459	0.653	0.653	18.05
Japanese Yen 1,000	2.020	4.263	7.702	1	12.02	0.708	0.544	0.3043	0.3043	132.0
French Franc 10	1.121	2.637	3.637	556.1	10	3.928	4.741	1966	2.200	62.63
Swiss Franc	0.228	0.603	1.099	141.5	2.346	1	1.207	800.8	0.713	17.47
Dutch Guilder	0.237	0.428	0.809	117.1	2.108	0.822	1	414.8	0.591	14.82
Italian Lira 1,000	0.570	1.204	2.174	282.3	6.086	1.987	2.411	1000	1.424	54.90
Canadian Dollar ...	1.401	0.846	1.527	109.3	1.8378	1.405	1.1663	708.4	1	24.51
Belgian Franc 100	1.634	3.440	6.230	866.8	14.37	3.725	6.908	926.3	4.078	100.00

THE POUND SPOT AND FORWARD

Oct. 24	Day's spread	Close	One month	Three months	Four months	Five months	Six months
U.S.	2.0650-2.1180	2.1105-2.1115	0.05c pro 0.05c dip	par	0.32-0.42dips	-0.70	
Canada	2.4810-2.5070	2.4880-2.4870	0.22-0.12c pm	0.82	0.45-0.35pm	0.64	
N. Ireland	2.4810-2.5070	2.4880-2.4870	0.22-0.12c pm	0.82	0.45-0.35pm	0.64	
Scandinav.	2.67-2.61-2.60	2.67-2.61-2.60	0.22-0.12c pm	0.82	0.45-0.35pm	0.65	
Ireland	11.05-11.11-11.14	11.05-11.11-11.08	11c-3c pm	0.52	0.51-0.41pm	0.59	
W. Germany	1.0180-1.0225	1.0200-1.0210	0.74-0.27c pm	0.52	0.51-0.41pm	0.65	
Portugal	3.77-3.82	3.80-3.81	2c-1c pm	0.68	0.64-0.54pm	0.59	
Spain	10.20-10.72	10.35-10.65	0.65-10c dip	0.70	0.70-0.80dips	2.94	
W. Gor.	10.20-10.72	10.35-10.65	0.65-10c dip	0.70	0.70-0.80dips	2.70	
Austria	27.20-27.45	27.20-27.45	0.45-0.30pm	0.74	0.68-0.58pm	0.64	
Switz.	3.45-3.53	3.45-3.50	1c-0.50pm	0.58	0.55-0.45pm	0.54	

Swiss rate is for convertible francs. Financial franc 60.05-60.50c om.

Six-month forward dollar 0.72-0.78c dip. 12-month 0.65-0.80c om.

12-month forward pound 0.82-0.88c dip.

12-month forward franc 0.52-0.58c dip.

12-month forward mark 0.65-0.75c dip.

12-month forward guilder 0.75-0.85c dip.

12-month forward lira 0.85-0.95c dip.

12-month forward yen 1.05-1.15c dip.

12-month forward Canadian dollar 1.15-1.25c dip.

12-month forward Australian dollar 1.25-1.35c dip.

12-month forward New Zealand dollar 1.35-1.45c dip.

12-month forward Irish pound 1.45-1.55c dip.

12-month forward Belgian franc 1.55-1.65c dip.

12-month forward Swiss franc 1.65-1.75c dip.

12-month forward Japanese yen 1.75-1.85c dip.

12-month forward Dutch guilder 1.85-1.95c dip.

12-month forward Italian lira 1.95-2.05c dip.

12-month forward German mark 2.05-2.15c dip.

12-month forward U.S. dollar 2.15-2.25c dip.

12-month forward British pound 2.25-2.35c dip.

12-month forward Canadian dollar 2.35-2.45c dip.

12-month forward Australian dollar 2.45-2.55c dip.

12-month forward New Zealand dollar 2.55-2.65c dip.

12-month forward Irish pound 2.65-2.75c dip.

12-month forward Belgian franc 2.75-2.85c dip.

12-month forward Swiss franc 2.85-2.95c dip.

12-month forward Japanese yen 2.95-3.05c dip.

12-month forward Dutch guilder 3.05-3.15c dip.

12-month forward Italian lira 3.15-3.25c dip.

12-month forward German mark 3.25-3.35c dip.

12-month forward U.S. dollar 3.35-3.45c dip.

12-month forward British pound 3.45-3.55c dip.

12-month forward Canadian dollar 3.55-3.65c dip.

12-month forward Australian dollar 3.65-3.75c dip.

12-month forward New Zealand dollar 3.75-3.85c dip.

12-month forward Irish pound 3.85-3.95c dip.

12-month forward Belgian franc 3.95-4.05c dip.

12-month forward Swiss franc 4.05-4.15c dip.

12-month forward Japanese yen 4.15-4.25c dip.

12-month forward Dutch guilder 4.25-4.35c dip.

12-month forward Italian lira 4.35-4.45c dip.

12-month forward German mark 4.45-4.55c dip.

12-month forward U.S. dollar 4.55-4.65c dip.

12-month forward British pound 4.65-4.75c dip.

12-month forward Canadian dollar 4.

WORLD STOCK MARKETS

Financial Times Thursday October 25 1979

Early Wall St. firms on moderate volume

The stock market firmed at mid-session on moderate volume as traders began to take advantage of depressed prices.

The Dow Jones Industrial Average rose 2.9% to 909.51 and advances totalled seven to six up turnover of 14m shares.

The market drew encouragement from a firm dollar as the U.S. announced plans to borrow up to DM 100. But analysts said until the securities markets saw signs that the Federal Reserve's new anti-inflation policy was beginning to work, they were likely to remain weak, except for occasional technical rallies.

Volume leader IBM edged 1 higher to \$62.3, General Motors, which reported up 8.5 per cent fall in 10-month car sales, added 1 to \$58.1.

RTV rose 1 to \$73 after reporting a near 10-fold rise in third-quarter profits. Toys "E" U.S. jumped a point to \$24. It said Petrie Stores wanted to raise its stake in the company.

Digital Equipment, which reported higher third-quarter net the previous day, gained \$1 to \$80.

Clubb Corp. dropped 2% to

\$43 bid, over-the-counter. It reported a lower September quarter profit, and said Sun Alliance and London Insurance had acquired 9 per cent of the company.

Procter and Gamble slipped 1 to \$74 in spite of improved fiscal first-quarter profit.

Jarsoll slipped 1 to \$23 bid, over-the-counter. It said it could not account for the 6% point rise in its share price on Tuesday.

OKC Corp. continued to climb, adding 4 to \$40. It intends to proceed with liquidation plans.

Kaiser Steel lost 2 to \$36. Kaiser climbed 13% the previous day on news that it was holding talks to sell some assets to Nippon Kokan KK of Japan.

American Stock Exchange prices were mixed in moderate trading. The index rose 0.86 to 196.62, but declines led advances to 7 on turnover of 2.08m shares.

Canada

The market at midday was narrowly mixed in moderate trading.

The Toronto Composite Index rose 5.5 to 1,531.8, seven of 14 indices advanced, and losses led gains 219 to 155.

Oil and Gas shares firmed as

Gulf Canada rose 2 to \$34.1, Shell Canada 14 to \$27.1, Numa Oil 14 to \$35.1 and BP Canada 1 to \$33.

Volume was 2,655,463 shares, compared with 3,387,976 the previous day.

Montreal share prices were higher in moderate active trading. The Composite Index rose less than a point and all indices, with the exception of Banks, advanced.

Volume was 257,279 shares, compared with 365,513 the previous day.

Brussels

Share prices were mostly lower in moderate trading.

Wagoons-Lits, which expects

bigger sales, was steady, but

Sofina, Sidro, Ebas, Intercom,

Asturienne, FN, Cockerill, and

Astel, Mosane, Comotra and

Arbed fell.

In Foreign Stocks, French

were higher, while UK, U.S., Dutch and Germans were lower.

Petrofina, American Petrofina

and Canadian Petrofina all fell.

Potential buyers were deterred by the weakness in Wall Street and the tighter German money market.

AEG closed DM 0.10 higher after trading quietly around DM 40 before yesterday evening's extraordinary supervisory board meeting. Siemens eased DM 0.30.

In Banks, Commerz and Dresdner firmed. Elsewhere, shares eased up to DM 24.20, with Bayor leading Chemicals down DM 1.50.

Among Internationals, oil company shares were generally firmer.

On the bond markets, domestic paper and Eurobonds lost up to one point.

The regulating authorities bought a nominal DM 30.3m worth of public authority paper compared with purchases of DM 31.2m the previous day.

On the hood markets, domestic paper and Eurobonds lost up to one point.

The second market also dropped sharply in moderate trading with volume of 6m shares.

Leading the market higher was the department store group Printemps, which closed 19 per cent above Tuesday's closing price at FF 111.50.

Moving down were Compagnie des Entrepreneurs, Sapequick, Generale de Fonderie and Martini Chargeurs Remols.

Gold Mines advanced among otherwise weak International Issues. Heavy fallers were

Philip Morris, Merck, Hoechst, Bayer, Unilever, Shell Transport, and Norsk Hydro, RTZ and ZCL.

Market observers said British investors had not been in evidence as usual, in spite of the relaxation of exchange controls on Tuesday.

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Philip Morris, Merck, Hoechst, Bayer, Unilever, Shell Transport, and Norsk Hydro, RTZ and ZCL.

Heavyweights showed large gains, notably in the 28-cent

range, with Esso rising 28 cents to \$63.76. These were joined by Coal and Allied, up 26 cents to \$63.74, while Coal and Allied rose 40 cents to \$67.50. Oakbridge added 13 cents to \$62.45.

Howard Smith leaped 80 cents to \$68.00, and White Industries increased 29 cents to \$64.75.

North West gas itself partner Woodside rose 6 cents to \$61.76.

Shipments were badly affected by the general fall, with Nedlloyd shedding \$1.20. Other falls of more than \$1.50 were Abold, OCEAN, der Griften and Bol.

Tokyo stocks closed narrowly mixed in moderate trading, with only marginal changes among leading issues.

Abolition of UK exchange controls had no positive effect on the market.

Share prices were firm in active trading.

Brokers said the news of a

deceleration in French retail

price growth in September had buoyed investor sentiment.

Reports that a French consortium had found exploitable

gas deposits in the Dutch sector of the North Sea also gave the

market a fillip.

The biggest rises were among Oils, Foods and Electricals, although gains predominated in all sectors. Among French stocks there were 150 gainers, 41 decliners and 31 issue

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Companies and Markets

Canaries buy UK potatoes

By Our Commodities Staff

BRITAIN HAS exported almost 12,000 tonnes of potatoes since the main crop season began on August 1. This is more than double the level at this time last year, the Potato Marketing Board reported.

Of the total 11,654 tonnes have been bought by the Canary Islands with the balance going to small packages to the West Indies and the Channel Islands. There are also signs that imports from Europe are slackening. The total shipped in since the start of the season is 15,816 tonnes, of which almost 13,000 tonnes came from Belgium. The Belgians, however, have not sent any since the middle of last month.

The Dutch have sent only 3,144 tonnes. Most came early in the campaign and only 844 tonnes have arrived since September 14, the Board said.

After easing slightly during the early harvest rush, home-grown potato prices have begun to increase lately. Supplice, described as "light but adequate" have been reduced by the seasonal practice of putting most of the liftings into store at this time of year.

Lowest producer price recorded last week was £48 a tonne in the southern region while best quality potatoes in the east were fetching up to £88 a tonne.

Retail prices range between 43p and 59p a pound.

Brazil acts to halt coffee smuggling

RIO DE JANEIRO — The Brazilian Coffee Institute (IBC) has taken steps to reduce the smuggling of coffee into neighbouring territories, particularly Paraguay.

These include compulsory registration of coffee companies, estates and warehouses in border states and the issue of transport licences for coffee in border areas. Registrations must be made before June 30, 1980.

The legislation covers over 300 towns in 11 states or territories bordering Paraguay, Uruguay, Argentina, Bolivia, Peru, Colombia, Venezuela, Surinam and French Guiana.

Trade sources said, meanwhile, that although Paraguay has a maximum exportable coffee surplus of about 50,000 to 60,000 bags per year, it exported about 260,000 bags to the U.S. in the first seven months of this year.

Reuter

BRITISH COMMODITY MARKETS
BASE METALS

COPPER—Fitter on balance in erratic trading on the London Metal Exchange. Forward metal rose to £850 on the early pre-market, followed by strong performance in overnight U.S. markets. However, profit-taking pressed the price to £835 before renewed buying followed the weakness of sterling. A further strong rally on Comex saw the price rise to £859 in the afternoon but renewed profit-taking in New York and a rally by sterling left the closing quotation on the late Karb at £833. Turnover: 15,223 tonnes.

American Metal Trading reported that in the morning cash wingers traded at £829; three months £833, 40. 41, 42, 43, 44, 45. Cathodes: Cash £826, 23, 24, 25; three months £822, 23. Aluminums: Three months £833, 44, 45, 46, 47. Alumino: Wingers: Three months £853, 54, 55, 54.

L.G. Index Limited 01-851 3466. Three months Lead 587.1-594.9. 29 Lamont Road, London SW10 0HS.

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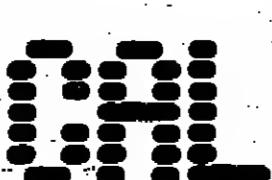
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**'No' vote in Congress hits world sugar pact hopes**

BY NANCY DUNNE IN WASHINGTON

WRAPPED ABOUT the inflation-plagued economy, the U.S. House of Representatives yesterday spurned legislation to raise domestic sugar price supports from 15 to 15.8 cents a pound.

The Bill's defeat, by an overwhelming 249-158 vote, once again wrecked chances for the passage of Congressional authorisation for U.S. participation in the International Sugar Agreement (ISA), an 80-nation compact designed to stabilise world sugar prices.

Approval of U.S. participation in the ISA has been held up by Senator Frank Church, an Idaho Democrat who chairs the Senate Foreign Relations Committee.

Mr. Bob Bergland, the Secretary of Agriculture, has said he was assured by Mr. Church that ISA approval would be sought if the House price support Bill failed.

But a Foreign Relations Committee spokesman said yesterday that "the senator told me he hasn't had a chance to think about it." See said a decision may be reached by the end of the week.

Republican Charles Vanik,

Futures markets plummet

BY OUR COMMODITIES STAFF

RAW SUGAR values plummeted on the London market yesterday in response to the defeat of the U.S. sugar Bill and in line with similar falls in New York.

The March position closed £1.10 a tonne lower at £155.35. At the start of trading in New York the March position opened the permissible limit of 0.5 cents a pound down, although traders there felt new buying might be

attracted later in the wake of the "emotional" selling.

The London daily price for raws was fixed 26 pence lower at £145 and the white price was down £1.60 a tonne.

In Brussels the European Commission authorised exports of 45,000 tonnes of white sugar at its weekly tender. The maximum export subsidy payable was fixed at 21.49 European currency units compared with 22.49 sets last week.

U.S. silver investors questionedBy David Lescoules in New York
THE CHICAGO Board of Trade, acting out of concern for the volatility of the precious metals futures markets in recent weeks, has reportedly called in a number of large silver investors for consultations.

Among them were Mr. Nelson Bunker Hunt, the Texas oil millionaire, and his brother Elmer, whose names have frequently been linked with heavy silver buying recently.

The Hunts bought large positions during an earlier silver boom in 1973.

The Board apparently wanted to discover what the investment intentions of the Hunts, and various other investors are, and did not take any action.

No details of the results of these discussions have been published.

The discussions followed the Board's special meeting on silver last Friday when trading was suspended for about three hours.

On the Chicago Board of Trade plans to submit futures contracts in domestic and Eurodollar certificates of deposit to the Commodity Futures Trading Commission before the end of the year, a CFT spokesman said.

But there are some doubts about whether the Euro CD market is big enough to ensure liquidity in the futures contract. The CFT estimates the Euro CD market at about \$30m and at present growth it will not be long until a futures contract is feasible.

The domestic CD market of some \$900m could easily support a futures contract.

The Chicago Mercantile Exchange is working on domestic CD and Eurodollar time deposit contracts, but no submission date is planned.

EXCHANGE CONTROL REMOVAL**Whole new world for London futures**

BY JOHN EDWARDS, COMMODITIES EDITOR

IT IS A ADVANTAGE to traders. Nevertheless, complying with the regulations has been a way of life for commodity companies ever since the World War II, so there is some bewilderment—tinged with apprehension—in adjusting to the new freedom.

The Department of Trade, for example, has little knowledge or interest in international commodity markets.

Even worse from the markets' point of view would be the creation of special supervisory organisations like the U.S. Commodities Futures Trading Commission, which it is claimed, has over-regulated the American markets and driven business away.

Linked to these fears is the possibility that the Treasury may become more interested in controlling the futures market should it be demonstrated that the introduction of a gold contract, enabling gold to be traded on a 10 per cent margin, really does have a distorting effect on physical gold prices.

There are other factors to be considered too. One is the Inland Revenue's attitude to commodity market profits, which will be even more complicated by profits made abroad. The other is that trading in foreign markets does not remove the foreign exchange risk—a profit in New York might easily be wiped out by a change in the dollar/sterling parity rate.

Nevertheless, there is no doubt that the removal of exchange control curbs is of major importance to the commodity markets and should bring some exciting times in the years ahead as London adjusts to the new world.

World wheat production forecast raised

BY OUR COMMODITIES STAFF

INCREASES IN Chinese crop forecasts have prompted the International Wheat Council to raise its estimate of world wheat production for 1979-80 to 414m tonnes, compared with last month's prediction of 405m tonnes.

Similar adjustments to China's figures for last year's crop have raised the council's assessment of 1978-79 output from 382.9m tonnes to 390.5m tonnes.

China's crop in 1979-80 is now estimated at 56m tonnes compared with 43m tonnes forecast

last month, and last season's production is now listed as 51m tonnes, 6m higher than suggested last month.

Estimates of the 1979-80 crop cover wheat harvested in the 12 months from April, 1979.

Forecasts for Soviet grain crops are unchanged at 85m tonnes from last year when only 18.9m hectares were planted compared with 23.2m the year before.

Soil and weather conditions have also been good in west and south Europe. Yugoslavia and Poland, for example, have increased their wheat sowing targets.

Wheat grain acreage in the Soviet Union was expected to approach the 37m grown for the 1977 and 1978 harvest.

Sowing conditions have been particularly favourable and the USSR winter wheat area is expected to be substantially more than last year when only 18.9m hectares were planted compared with 23.2m the year before.

Assessing prospects for 1980-81, the council said there were signs that if conditions were favourable there could be a marked increase in the area planted with wheat in the U.S.

If the Bank loses its moni-

toring role the Government must have to cast about for someone else to do the job, who may be far less acceptable to traders.

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If the Bank loses its moni-

Danes sell Jerseys to UK

By a Correspondent

DANISH DAIRY farmers will break new ground next month when they send their first shipment of pedigree Jersey cattle to Britain.

The consignment of 10 beefers and a bull will be sold at Gloucester on November 8.

The manager of the export company, Mr. Hans Jorgen Knudsen, said strict regulations had prevented the Danes from sending Jersey female to Britain in the past.

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PRICE CHANGES

In tonnes unless otherwise stated.

Oct. 24 1979 + or - Month ago

Oct. 24 1979 + or - Month ago

Financial Times Thursday October 25 1979.

INDUSTRIALS—Continued

No.	Stock	Pric.	+/-	No.	Stock	Pric.	+/-	No.	Stock	Pric.	+/-	No.	Stock	Pric.	+/-	No.	Stock	Pric.	+/-	
49	Harts & Sheldon	56	-12	122.21	121	8.8	7.5	151	Hope Robinson	92	-4	4.94	7.0	2.0	8.85	7.2	145	Brit. Emp. Sect. Sg	13d	0.78
51	Hawkins & Taylor	55	-12	4.96	52	2.5	4.1	121	Hoyle	92	-1	4.94	7.0	2.0	8.85	7.2	146	Brit. Ind. & Gen.	13d	3.80
52	Hawthorn Sp.	145	-2	0.25	2.5	2.5	2.5	122	Hoyle Warnings	139	-5	15.51	-1	5.5	5.5	123	Greycoat Inv. Inc.	12d	0.28	
53	Hays' Wheel	129	-2	7.21	8.1	2.5	2.5	124	Hoy & Co. Gen.	159	-5	7.24	-1	2.5	2.5	125	Hammermills' A	12d	1.4	
54	Hether H. A. Ltd.	129	-2	6.21	8.1	2.5	2.5	126	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	127	Hammerton Ind.	12d	1.4	
55	Hether H. A. Ltd.	129	-2	6.17	8.1	2.5	2.5	128	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	129	Hannover Ind.	12d	1.4	
56	Heworth Cruse	184	-1	14.9	14.9	2.5	2.5	130	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	131	Hannover Ind.	12d	1.4	
57	Heworth Cruse	184	-1	14.9	14.9	2.5	2.5	132	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	133	Hannover Ind.	12d	1.4	
58	Hibbert & Sons	55	-12	2.1	2.1	2.5	2.5	134	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	135	Hannover Ind.	12d	1.4	
59	Hibbert & Sons	55	-12	2.09	2.1	2.5	2.5	136	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	137	Hannover Ind.	12d	1.4	
60	Hill (Chas.) J. L.	55	-12	2.09	2.1	2.5	2.5	138	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	139	Hannover Ind.	12d	1.4	
61	Hill (John) 20p	55	-12	2.09	2.1	2.5	2.5	140	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	141	Hannover Ind.	12d	1.4	
62	Hills Bros.	129	-5	12.09	12.09	2.5	2.5	142	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	143	Hannover Ind.	12d	1.4	
63	Hill Lloyd H. D.	218d	-5	12.09	12.09	2.5	2.5	144	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	145	Hannover Ind.	12d	1.4	
64	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	146	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	147	Hannover Ind.	12d	1.4	
65	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	148	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	149	Hannover Ind.	12d	1.4	
66	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	150	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	151	Hannover Ind.	12d	1.4	
67	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	152	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	153	Hannover Ind.	12d	1.4	
68	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	154	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	155	Hannover Ind.	12d	1.4	
69	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	156	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	157	Hannover Ind.	12d	1.4	
70	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	158	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	159	Hannover Ind.	12d	1.4	
71	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	160	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	161	Hannover Ind.	12d	1.4	
72	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	162	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	163	Hannover Ind.	12d	1.4	
73	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	164	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	165	Hannover Ind.	12d	1.4	
74	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	166	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	167	Hannover Ind.	12d	1.4	
75	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	168	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	169	Hannover Ind.	12d	1.4	
76	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	170	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	171	Hannover Ind.	12d	1.4	
77	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	172	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	173	Hannover Ind.	12d	1.4	
78	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	174	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	175	Hannover Ind.	12d	1.4	
79	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	176	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	177	Hannover Ind.	12d	1.4	
80	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	178	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	179	Hannover Ind.	12d	1.4	
81	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	180	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	181	Hannover Ind.	12d	1.4	
82	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	182	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	183	Hannover Ind.	12d	1.4	
83	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	184	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	185	Hannover Ind.	12d	1.4	
84	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	186	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	187	Hannover Ind.	12d	1.4	
85	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	188	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	189	Hannover Ind.	12d	1.4	
86	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	190	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	191	Hannover Ind.	12d	1.4	
87	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	192	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	193	Hannover Ind.	12d	1.4	
88	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	194	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	195	Hannover Ind.	12d	1.4	
89	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	196	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	197	Hannover Ind.	12d	1.4	
90	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	198	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	199	Hannover Ind.	12d	1.4	
91	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	200	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	201	Hannover Ind.	12d	1.4	
92	Holmes' A. J. 5p	75	-12	2.1	2.1	2.5	2.5	202	Hobart Ind. Co.	129	-5	7.24	-1	2.5	2.5	203	Hannover Ind.	12d	1.4	
93	Holmes' A. J. 5p	75	-12	2.1	2.1															



FINANCIAL TIMES

Thursday October 25 1979



September worst work month since General Strike

By Philip Bassett, Labour Staff

BRITISH INDUSTRY lost more working days through strikes in September than in any month since the General Strike in 1926.

Provisional figures released yesterday by the Department of Employment mainly reflect the impact of the series of two-day strikes in the engineering industry.

The figures, based on general estimates of the effect of the engineering strikes, show that more than 11.5m working days were lost last month. About 0.3m are attributed directly to the engineering strikes, though that may be an under-estimate.

Even discounting the underlying trend of strike activity as measured by the number of days lost showed another rise from the comparative industrial peace of the summer as the pay round opened.

The number of workers involved in stoppages was about 1.6m. The number of stoppages from 196 in August to 108. Prominent stoppages listed by the Department, apart from the engineering dispute, were the ITV strike, Vauxhall Motors' Ellsmore Port strike, and the Distillers strike in Scotland.

The number of days lost in the first nine months of this year—more than 23m—means that the total this year is certain to exceed the previous recent high in 1972 of 23,909,000, which itemmed mainly from the miners' strike.

The annual total will then be the highest since the year of the General Strike, when 162,233,000 working days were lost.

Besides the engineering dispute, which is likely finally to total more than 16m days lost, this year's figure also reflect stoppages last winter by lorry drivers, public service workers, railwaymen and other groups.

Officials were taking some comfort yesterday, though, from the fact that no other dispute for the rest of the year is likely to have such a large impact on the strike figures as the engineering stoppages.

Continued from Page 1

Labour inquiry

One possibility is that the moderates on the commission will submit a minority report next summer. Everything would then depend on how much hacking Mr. Callaghan and his supporters could get from the unions at the party conference.

The main rebuff for Mr. Callaghan came when his request for a joint meeting between the Shadow Cabinet and NEC before any final decisions were reached in composition was turned down flat.

Mr. Callaghan stressed the special position of the PLP and the way in which the commission's inquiry would affect the lives and work of MPs. He argued that to choose the membership immediately would be to rub salt in the wounds of the PLP.

But his demand for strong PLP representation on the commission was rejected. All that was offered was a meeting in the future between NEC and PLP representatives.

There will also be "special interest panels" set up on such matters as Parliament, local government, and finance so various sections of the party, including the PLP, can submit views. These submissions would be put to NEC and published before the party conference.

The secretariat of the commission will take the responsibility of the Labour Party and Mr. Ron Hayward, general secretary. But the trade unions will be requested to second experts to help with specific aspects of the inquiry.

Christian Tyler odds: The five trade union leaders on the commission argued yesterday that there will be too much work for the inquiry to be able to finish by the next party conference.

They will suggest that the three most controversial issues—election of the leader, selection of MPs, and control of the manifesto—be dealt with first as an interim report. Other organisational matters would be left for the following year.

The Trade Unionists for a Labour Victory committee, which met yesterday, is also offering the party secretarial help because of Transport House's lack of resources.

Mr. David Bassett, committee chairman, said yesterday the union side wanted a five-side commission, with the addition of Mr. James Callaghan, and a PLP representative. The inquiry's chairman should be chosen from within the commission.

France relaxes lamb ban to avoid clash

By ELINOR GOODMAN IN STRASBOURG AND CHRISTOPHER PARKES IN LONDON

FRANCE HAS relaxed its ban on imports of lamb from Britain in an attempt to avert a major confrontation. It told the European Commission in a letter yesterday that it was now ready to comply with the ruling of the European Court and allow trade to resume.

Mr. Peter Walker, Minister of Agriculture, was also told of the moves by the French ambassador in London. M Jean Sauvagnargues.

Mr. Fred Gundelach, Common Market Agriculture Commissioner in Strasbourg, welcomed the relaxation as "a major step forward," adding it was now up to Britain to show good will on other contentious issues, such as fishing policy.

But Mr. Walker was confused by the value of the French concessions. His Ministry said it was far from clear what the "ground rules" were for resumption of trade. The French communication said only that

France intended to allow in lamb from Britain. There were no other details.

Mr. Gundelach, however, understood that the French government would be monitoring the rate of imports and paying special subsidies to its own sheep farmers who fear cheap lamb from Britain will undermine the high-price luxury lamb market in France.

The French Agriculture Ministry said "normal restrictions" would not be lifted but that the Government-run intervention agency, ONIBEV, would allow French traders, under strict control, to buy lamb in Britain.

Britain, however, is expected to stand by its original demands that France drops all controls and allows free trade as demanded by the Treaty of Rome.

The National Farmers' Union insisted it would not be satisfied with anything other than complete freedom to sell lamb in France. For the past three years,

France has operated a system of import levies backed up with occasional all-out bans, to prevent low-cost British lamb from undermining the high-price luxury lamb market in France.

The issue came to a head this year with the court ruling and sharp falls in lamb prices in both France and Britain. The British argued that their farmers could be saved from bankruptcy if they could sell some of their surpluses abroad, while the French countered with the claim that their sheep industry would collapse under such pressure.

In livestock markets in Britain yesterday, lamb prices staged a dramatic recovery. In spite of a big increase in the number of sheep on sale, prices jumped by an average 9.2p a kilo deadweight to 123.5p.

During the recent slump, the Exchequer has had to pay out an estimated £1.4m in subsidies to sheep farmers affected by the price slide.

Commission studies ways to cut Britain's EEC bill

By ELINOR GOODMAN, LOBBY STAFF

MEMBERS OF the European Commission met yesterday to refine the options before them on how to reduce Britain's disproportionately large share of the Community budget.

Last week the Commission produced a confidential draft report outlining four basic ways of remedying what it acknowledges to be a problem. It is due to put its proposals into final form when it meets on Wednesday for a third session on the subject. The Commission has been asked to put forward a series of final proposals to next month's meeting of Heads of Government of the Nine in Dublin.

It is hoped that the British Government may have given the Commission a clear idea by Wednesday of what reduction it is realistically hoping to get out of the Dublin meeting.

Though the Commission is broadly sympathetic to the British case, a feeling seems to be growing among the 13 Commissioners that Britain is not making anyone's job any easier by its negotiating tactics.

In private, just as much as in public, the Prime Minister is apparently insisting that Britain regards the Dublin meeting of the European Council as the deadline for finding some way of getting the UK's contribution to, and receipts from, the Community budget into a "broad balance."

Since no other government has yet indicated any willingness to cut Britain's projected net contributions for next year of £1bn to anything like this level, the feeling in Brussels seems to be that the British Government would help its own cause if it privately gave some indication of what it might be prepared to accept as a first instalment towards a new budget contribution. This, it is argued, would help the Commission in its task of drawing up proposals to put to the European Council.

Though nobody in the Commission seems to have taken seriously earlier hints that the British Government might take unilateral action if its demands were not met in Dublin, Mrs. Thatcher's statement on Tuesday that Britain would not act illegally has been welcomed.

The Commission's meeting yesterday followed the discussions earlier this week between Mrs. Thatcher and Mr. Roy Jenkins, the President of the Commission. Yesterday the Commission members apparently went some way to reducing the range of options being considered.

Commissioners expenses, Page 3

Hua masters art of the side-step

By ROGER BOYES IN BONN

CHAIRMAN Hu Guofeng, the Chinese leader, after only 10 days in Europe, appears to have mastered the curious and complex art of the Western news conference.

This emerged yesterday in his first official meeting with the West European Press as he sidestepped complicated questions with the ease and expertise of a battle-hardened Western politician or industrialist.

No, he said, he did not think that Soviet policy would change towards Peking after the withdrawal of Mr. Leonid Brezhnev from the world stage. No, he did not want to answer a question about Soviet strategic ambitions because time and diplomacy

would permit. This brought a relieved grin from Chancellor Helmut Schmidt.

Indeed the Chancellor, who had been fearing an anti-Soviet outburst, appeared to be more nervous than Chairman Hua at the Chinese Foreign Minister's press conference. The Chinese leader admittedly betrayed a few signs of first night nerves: his fingers plucked at the sleeves of what used to be called a Mao suit and he turned with a bemused smile towards his host when former student leader Rudi Dutschke tried (unsuccessfully) to ask questions about political prisoners in China.

But in a visit which hinged so much on nuance, the Chairman was a model of tact and actually

Laker launches air fares challenge

BY LYNTON MCALPIN

A CHALLENGE from Sir Freddie Laker, head of Laker Airways, to the Civil Aviation Authority to "set the airlines free" yesterday opened the battle for low air fares in Europe.

His challenge came at the start of one of the most important hearings on air fares to go before the CAA.

Four British airlines, British Caledonian Airways, Laker Airways, British Island Airways and Britannia Airways, have lodged rival applications with the authority to cut their European air fares and start more services.

At the hearing each airline is opposing the others. British Airways, the nationalised airline, is opposing all four applications and has no plans of its own for radical changes in fare structures.

Sir Freddie launched a sweeping attack on British Airways and British Caledonian Airways for opposing his plan.

British Caledonian launched its own cut-price, off-peak fares plan on Monday. But Sir Freddie described it as "pusy-footing." He said British Caledonian had a "totally negative approach and refused to accept the challenge of competition." The airline was only worried about safeguarding existing services, he said.

He said it was "pure unadulterated bunkum" for British Airways to claim that they had been major innovators in air fares policy for 30 years.

The state airline had objected to every innovation put forward by others since it was formed and it was still doing so, even though the Laker plan would not harm the state airline, he said.

Sir Freddie's application before the CAA is potentially the most far-reaching. He wants freedom to set fares "and to operate 666 new scheduled services in Europe."

He has already ordered the aircraft—10 European Airbuses—at a cost of £250m to fly the routes.

Mr. Ray Colegate, chairman of the CAA investigating panel, described the Laker application as "a very bold innovative proposal designed to sweep away the existing system."

Laker Airways wants to fly to 34 European cities from Gatwick Airport, London, Glasgow and Manchester. The airline also wants to fly between the 34 cities using some as bases for exclusively continental operations.

The plan, if accepted by the authority, by the British Government and national governments of the European Community, would mean the end of the existing system of bilateral agreements on air services. These are agreed between governments who share routes between an agreed number of operators.

Mr. Colegate said the Laker concept was even more "revolutionary" than anything that had happened in the U.S., where many restrictions on airline operations have been lifted.

Asean fare success in Canberra, Page 6

Stricter rules urged on asbestos

By Sue Cameron, Chemicals Correspondent

A GOVERNMENT report published yesterday calls for stricter controls on the use of asbestos, including legally enforceable exposure limits for workers.

But the report came under immediate attack for failing to set adequate safety standards for the prevention of cancer among those who work with asbestos.

It recommends a control limit of one fibre per millilitre of air over a four-hour period for white asbestos, the type most commonly used.

Mr. Richard Peto, a reader in cancer at Oxford University, said yesterday this exposure limit did "not leave an adequate safety margin for preventing cancer among workers."

He said asbestos should be subject to regulations as those for radioactive materials. He claimed that chemical companies could suffer in the long run from the asbestos industry's resistance to stricter controls.

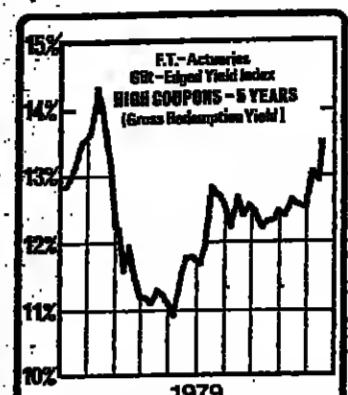
Strict—possibly unreasonable—controls could be introduced on chemicals which evidence showed could cause cancer if industry proved unresponsive to the need for tight regulations. The report, which lists over 40 recommendations for tightening the present asbestos safety regulations, says there is no justification for a total ban on it.

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THE LEX COLUMN

Sour note at the celebration

Index fell 12.5 to 449.5



and few have had time to think through the full implications of the radical move.

The authorities had very substantial powers under the old Exchange Control Act 1947 and the Bank of England used them to monitor every corner of the City. While the main purpose of the act was to conserve foreign exchange, over time it had become a source of much detailed information on matters only marginally related to foreign exchange. It is not often realised, for example, that foreign companies wishing to make a UK acquisition almost invariably had to be processed through the exchange control apparatus. And the Bank has occasionally taken advantage of its powers under the act to make its wishes felt.

For the authorities, the disappearance of exchange control means much more than just the cost saving of staff employed at the Bank of England. It also means the loss of one of their main sources of information on the financial system and they will be eager to replace it in some way.

In the short term, however, the main concern for the Bank of England is that the ending of exchange control also reneged on its controls over banks' foreign exchange dealings. Under the old regime there were strict limits on banks' open positions and spot-against-forward positions. The banking community is hoping that the planned prudential rules will be less onerous and allow for greater dealing discretion. As yet the Bank has given no indication of its thinking on this score.

Monetary control

Sterling was steady yesterday, helped by some official intervention. Its future course will depend partly on how effectively the authorities can maintain monetary control in the new conditions, and here there is much uncertainty. The banking "corset" will now be even more easily wriggled out of than before, with sterling liabilities easily shifted to bank branches overseas. The monetary agreements themselves may need some reassessment, and it is going to be even more tricky for the authorities to navigate simply on the basis of sterling M3 rates.

Meanwhile there is no doubt that City institutions are overwhelmed by the sudden disappearance of the controls. It had been assumed that they would gradually fade away over time, should be able to play a more active role in the international money markets and there could be a revival in the use of sterling acceptances—the famous "hill on London" for financing international trade.

Weather

UK TODAY

BRIGHT intervals, rain later.
N.E. and S.E. England,
E. Midlands and E. Anglia:
Mainly dry. Some bright intervals. Max. 12C (54F).

N.W. and Cent. S. England and W. Midlands:
Rather cloudy. Some rain later. Max. 11C (52F).

S.W. England, Wales, Isle of Man,
S.E. and N.E. Scotland, Orkney and Shetland:
Mainly dry. Some bright periods. Max. 10C (50F).

S.E. and N.E. Scotland, Orkney and Shetland:
Mainly dry. Some bright periods. Max. 10C (50F).
Outlook: Rain at times, bright intervals.

WORLDWIDE

	Y/day	min	max	°C

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